



City of Covina/Covina Redevelopment
Agency/Covina Public Finance Authority
Mayor Peggy Delach – Mayor Pro Tem John King
Council Members Walt Allen, III – Bob Low – Kevin Stapleton

REGULAR MEETING AGENDA
125 E. College Street, Covina, CA
Council Chambers of City Hall
Tuesday, November 2, 2010
6:30 p.m.

- **The City Council/Redevelopment Agency will meet in closed session from 6:30 p.m.-7:30 p.m.**
- As a courtesy to Council/Agency/Authority Members, staff and attendees, everyone is asked to silence all pagers, cellular telephones and any other communication devices.
- Any member of the public may address the City Council, Redevelopment Agency, and Public Finance Authority during both the public comment period and on any scheduled item on the agenda. Comments are limited to a maximum of five minutes per speaker unless, for good cause, the Mayor/Chairperson amends the time limit. Anyone wishing to speak is requested to submit a yellow Speaker Request Card to the City Clerk; cards are located near the agendas or at the City Clerk's desk.
- Please provide 10 copies of any information intended for use at the City Council/Covina Redevelopment Agency/Covina Public Finance Authority meeting to the City Clerk prior to the meeting.
- MEETING ASSISTANCE INFORMATION: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk Department at (626) 384-5430. Services such as American Sign Language interpreters, a reader during the meeting, and/or large print copies of the agenda are available. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Assisted listening devices are now available. Please see the City Clerk before the meeting or during a break for more information.
- DOCUMENT AVAILABILITY: Any writings or documents provided to a majority of the City Council/Redevelopment Agency/Public Finance Authority regarding any item on this agenda will be made available for public inspection at the City Clerk counter at City Hall located at 125 E. College Street and the Reference Desk at the Covina Library located at 234 N. Second Avenue during normal business hours. In addition, such writings and documents are available in the City Clerk's office and may be posted on the City's website at <http://www.covinaca.gov/clerk/agendas.htm>.
- Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the City Council/Redevelopment Agency/Public Finance Authority unless listed on agenda, which has been posted not less than 72 hours prior to meeting.
- If you challenge in court any discussion or action taken concerning an item on this Agenda, you may be limited to raising only those issues you or someone else raised during the meeting or in written correspondence delivered to the City at or prior to the City's consideration of the item at the meeting.
- The Deputy City Clerk of the Covina City Council hereby declares that the agenda for the **November 2, 2010** Regular City Council meeting was posted on **October 28, 2010** near the front entrance of the City Hall, 125 East College Street, Covina, in accordance with Section 54954.2(a) of the Government Code.

November 2, 2010

**CITY COUNCIL/REDEVELOPMENT AGENCY
JOINT MEETING—CLOSED SESSION
6:30 p.m.**

CALL TO ORDER

ROLL CALL

Council/Agency Members Allen, Low, Stapleton, Mayor Pro Tem/Vice Chairperson King, Mayor/Chairperson Delach.

PUBLIC COMMENTS

The Public is invited to make comment on Closed Session items only at this time. To address the Council/Agency, please complete a yellow Speaker Request card located at the entrance and give it to the City Clerk. Your name will be called when it is your turn to speak. Individual speakers are limited to five minutes each.

The City Council and Redevelopment Agency will adjourn to Closed Session for the following:

CLOSED SESSION

**A. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR
NEGOTIATIONS TO INCLUDE BOTH PRICE AND TERMS:**

DESIGNATED REPRESENTATIVE: Robert Neiuber, Comm. Development Director

- Off Citrus – 114 E. Italia Street (APN: 8445-001-905)
- Charlie Park – 116 E. School Street (APN: 8430-027-009)
- Yen Yao Hsih (APN 8431-028-007)
- Yen Yao Hsih (APN 8431-028-025)
- Yen Yao Hsih (APN 8431-028-026)
- Yen Yao Hsih (APN 8431-028-029)

**B. G.C. §54956.9(b)(3)(A) – CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation
Potential Case: One (1)**

RECESS

**CITY COUNCIL
REDEVELOPMENT AGENCY/PUBLIC FINANCE AUTHORITY
JOINT MEETING—OPEN SESSION
7:30 p.m.**

CALL TO ORDER

ROLL CALL

Council/Agency/Authority Members Allen, Low, Stapleton, Mayor Pro Tem/Vice Chairperson King, Mayor/Chairperson Delach

PLEDGE OF ALLEGIANCE

Led by Mayor Pro Tem King

INVOCATION

Led by the Covina Police Chaplain David Truax

PRESENTATIONS

Recognition – Community Hero, Jackie Miller

Recognition – Geoff Cobbett – Maintenance Superintendents Association Award

Presentation in memory of Leonard Klenk, District Eagle Advisor and long time Covina resident

Presentation on the new Library Program – "Food for Fines"

Presentation by the Sanitation Districts of Los Angeles County on the Waste-By-Rail Program

PUBLIC COMMENTS

To address the City Council/Redevelopment Agency/Public Finance Authority please complete a yellow Speaker Request card located at the entrance and give it to the City Clerk/Agency/Authority Secretary. Your name will be called when it is your turn to speak. Those wishing to speak on a LISTED AGENDA ITEM will be heard when that item is addressed. Those wishing to speak on an item NOT ON THE AGENDA will be heard at this time. State Law prohibits the Council/Agency/Authority Members from taking action on any item not on the agenda. Individual speakers are limited to five minutes each.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Council/Agency Members wishing to make any announcements of public interest or to request that specific items be added to future City Council/Redevelopment Agency/Public Finance Authority Agendas may do so at this time.

CITY MANAGER COMMENTS

CONSENT CALENDAR

All matters listed under consent calendar are considered routine, and will be enacted by one motion. There will be no separate discussion on these items prior to the time the Council/Redevelopment Agency/Public Finance Authority votes on them, unless a member of the Council/Agency requests a specific item be removed from the consent calendar for discussion.

CC 1. City Council to approve the Minutes of the October 19, 2010 Regular City Council/Redevelopment Agency Meeting.

- CC 2. City Council to receive and file the Fiscal Year 2009-2010 4th Quarter Update on Major Funds.
- CC 3. City Council to receive and file the Quarterly Report of the Treasurer to the City Council for the Quarter Ended September 30, 2010.
- CC 4. City Council to adopt **Resolution No. 10-6888**, approving the Memorandum of Understanding between the City of Covina and the Police Association of Covina.
- CC 5. City Council to adopt **Resolution No. 10-6902**, approving the carry over of certain funds from Fiscal Year 2009-2010 to Fiscal Year 2010-2011.
- CC 6. City Council to accept letters of resignation from Michael Gainor of the Covina Library Board of Trustees and from Carmine Lanza of the Covina Personnel Advisory Board.
- CC 7. City Council to receive and file a report of total workers' compensation liabilities under Labor Code §3702.6(b) requiring each public self insurer to advise its governing board of total liabilities reported, and if current funding of those liabilities is in compliance with the requirements of GASB 10.
- CC 8. Redevelopment Agency to approve a Right of Entry Agreement by and between the Covina Redevelopment Agency and Elite Dining, Incorporated.
- CC 9. Redevelopment Agency to receive and file the Quarterly Report of the Treasurer to the Covina Redevelopment Agency for the Quarter Ended September 30, 2010.
- CC 10. Redevelopment Agency to receive and file the report on the International Council of Shopping Centers (ICSC) Western Division Conference--Deal Making.

CONTINUED PUBLIC HEARING

- CPH 1. Continued City Council consideration of voiding/revocation of Conditional Use Permits #87002 and 99-001 and Business License #027874 for the establishment known as "The Well" Bar, located at 989 West San Bernardino Road, Covina, California, 91722.

Staff Recommendation:

- a.) City Council to conduct the continued Public Hearing, take testimony and evidence and hear arguments; and
- b.) City Council to consider voiding/revocation of Conditional Use Permits #87002 and 99-001 and Business License #027874 for the establishment known as "The Well" Bar, located at 989 West San Bernardino Road, Covina, California, 91722; and
- c.) City Council to adopt **Resolution No. 10-6904**, voiding/revoking CUP 87002, CUP 99-001 and Business License #027874.

PUBLIC HEARING

- PH 1. Public Hearing for the consideration of the 2010 Annual Report for the Covina Downtown Business Area Enhancement District and Proposed Assessment.

Staff Recommendation:

- d.) City Council to conduct a public hearing of the 2010 Annual Report for the Downtown Business Area Enhancement District and Proposed Assessment; and
- e.) City Council to adopt **Resolution No. 10-6900**, confirming the 2010 Annual Report for the Covina Downtown Business Area Enhancement District and levying the assessment described therein.

PH 2. Public Hearing for the consideration of the 2010 Annual Report for the Prospero Park Business Area Enhancement District and Proposed Assessment.

Staff Recommendation:

- a.) City Council to conduct a public hearing of the 2010 Annual Report for the Prospero Park Business Area Enhancement District and Proposed Assessment; and
- b.) City Council to adopt **Resolution No. 10-6903**, confirming the 2010 Annual Report for the Prospero Park Business Area Enhancement District and levying the assessment described therein.

NEW BUSINESS

NB 1 Solid Waste Disposal Proposal from Athens Services.

Staff Recommendation:

City Council to approve the proposal from Athens Services in concept and direct staff to draft amendments to the Refuse Collection Exclusive Franchise Agreement to reflect the proposal.

NB 2. Appointment of City Boards, Committees and Commissions.

Staff Recommendation:

- a.) Mayor to make one (1) appointment to the Covina Library Board of Trustees, and the City Council to ratify the appointment of the Mayor; or schedule interviews of applicants.

CONTINUED BUSINESS

CB 1. City Council to renew Business License and Certificate of Public Convenience and Necessity for Southern California Transportation, DBA, Yellow Cab Company of San Gabriel Valley.

Staff Recommendation:

- a.) City Council to direct the Finance Department to renew a Business License and update the Certificate of Public Convenience and Necessity in accordance with Chapter 5.44 of the Covina Municipal Code for Southern California Transportation, DBA, Yellow Cab Company of San Gabriel Valley.

ADJOURNMENT

The Covina City Council/Redevelopment Agency/Public Finance Authority will adjourn to the City Council/Redevelopment Agency/Public Finance Authority Meeting to be held on **Tuesday, November 16, 2010** at 6:30 p.m., in the Council Chambers of City Hall, 125 E. College Street, Covina, California, 91723.



**MINUTES OF THE OCTOBER 19, 2010 REGULAR MEETING
OF THE COVINA CITY COUNCIL/REDEVELOPMENT
AGENCY/PUBLIC FINANCE AUTHORITY HELD IN THE
COUNCIL CHAMBERS OF CITY HALL, 125 EAST COLLEGE
STREET**

CALL TO ORDER

Mayor Delach called the City Council/Redevelopment Agency/Public Finance Authority meeting to order at 6.35 p.m. and recessed to closed session.

ROLL CALL

Council Members Present: Allen, Low, Stapleton, King, Delach
Council Members Absent: None
Elected Officials Present: City Clerk

Staff Members Present: City Manager, City Attorney, Police Chief, Community Development Director, Public Works Director, Human Resources Director, Finance Director, Parks and Recreation Director, Police Captain, Police Lieutenant, Sr. Redevelopment Manager, Redevelopment Manager, Assistant Public Works Director, Human Resources Analyst, Contract Communications Manager, Deputy City Clerk

**AGENDA
POSTING
DECLARATION**

The Deputy City Clerk of the Covina City Council hereby declares that the agenda for the October 19, 2010 Regular City Council/Redevelopment Agency/Public Finance Authority meeting was posted on October 14, 2010 near the front entrance of City Hall, 125 East College Street, Covina, in accordance with §54954.2 (a) of the Government Code.

**CLOSED
SESSION**

- A. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – NEGOTIATIONS TO INCLUDE BOTH PRICE AND TERMS:
DESIGNATED REPRESENTATIVE: Robert Neiuber, Comm. Development Director
- Covina Valley Unified School District – 120 East School Street (APN: 8430-027-900)
 - Covina Valley Unified School District – Vacant Land South Side Puente Street at Third Avenue (APN: 8444-021-904)
 - Mercy Moreno – 147-151 East College Street (APN: 8445-001-918)
 - Off Citrus – 114 E. Italia Street (APN: 8445-001-905)
 - Charlie Park – 116 E. School Street (APN: 8430-027-009)
 - Pat Fore – 326 N. Citrus Avenue (APN: 8430-027-017)
 - CIT Small Business Lending Corporation – Barranca Investments, Inc. and Antonio Escobar – 504 N. Barranca Avenue (APN: 8429-009-019)
 - Yen Yao Hsih (APN 8431-028-007)
 - Yen Yao Hsih (APN 8431-028-025)
 - Yen Yao Hsih (APN 8431-028-026)
 - Yen Yao Hsih (APN 8431-028-029)
- B. G.C. §54956.9(c) – CONFERENCE WITH LEGAL COUNCIL
Initiation Litigation
Number of Cases: One (1)
- C. G.C. §54957 – CONFERENCE WITH LEGAL COUNSEL – Existing Litigation
Worker's Compensation Case No. # ADJ7366444 – Salinas v. City of Covina

- D. G.C. 54957.6 – CONFERENCE WITH LABOR NEGOTIATORS AGENCY
DESIGNATED REPRESENTATIVE: Anthony Arroyo, Human Resources
Director
EMPLOYEE ORGANIZATIONS: Police Management Group Unaffiliated
Employees

**CITY ATTORNEY
ANNOUNCEMENT**

City Attorney Marco Martinez announced that there was no reportable action for Closed Session items B, C and D. City Attorney Marco Martinez further announced that the Council/Agency discussed items listed under Closed Session item C and will reconvene to closed session at the conclusion of the regular meeting and does not expect any reportable action at the conclusion of the meeting.

CONVENE THE MEETING

The City Council/Redevelopment Agency/Public Finance Authority meeting reconvened at 7:32 p.m.

PLEDGE OF ALLEGIANCE

Council Member Low led the Pledge of Allegiance.

INVOCATION

Covina Police Chaplain Jerry Gunderson gave the invocation.

PRESENTATIONS

Mayor Delach asked Council Member Allen to join her at the lectern to assist with presenting members of Citrus Valley Health Partners a proclamation in recognition of Breast Cancer Awareness Month.

Mayor Delach presented Police Chief Raney with a proclamation in recognition of Red Ribbon Week.

Mayor Delach recognized those who put on the second Annual Dare to Care Cut-a-Thon. Council Member Allen spoke about the event and assisted the Mayor with distributing the recognitions.

Finance Director Dilu De Alwis and City Manager Daryl Parrish provided a PowerPoint presentation regarding the water billing conversion and change in water rates. There was a discussion between Council, City Staff and Global Water Management, the water billing vendor, regarding invoicing and customer service. Council suggested City Staff use the reverse 9-1-1 system to notify residents about the water updates. The Mayor reaffirmed that there would be no penalties for 90 days as the water billing concerns continue to be addressed and also suggested that residents/businesses visit www.bewaterwise.com for water savings tips.

PUBLIC COMMENTS

Carmen McGrath stated that she is speaking of behalf of the 119 members of the Joslyn Center Senior Citizen Bingo Club. She expressed a concern regarding the bingo club having difficulty in renewing their bingo license. Ms. McGrath spoke about the number of seniors who look forward to bingo events at the Joslyn Center.

Police Chief Raney stated a local service club, operating under a 501(c)(3) non-profit, sponsored the bingo club and the service organization no longer sought to be associated with the bingo club. Police Chief Raney stated that the City of Covina could not authorize bingo activity until the organization meets compliance with State law requirements.

Lillian Grana thanked the Covina Lions Club for their nine years of sponsorship. Ms. Grana accounted for the last minute notification that the Lions Club would not sponsor the bingo club. She explained that with the assistance of their attorney they are working towards a new 501(c)(3) to operate a bingo club at the Joslyn Center.

George Spitzer stated that he is employed as a safety coordinator and expressed a concern regarding outage of traffic lights. Mr. Spitzer noted last Saturday while driving on Hollenbeck Avenue the traffic lights were not operational for a few hours. He stated that he spoke with Covina Police Dispatch and it was explained that drivers should know to stop at the intersection. Public Works Director Steve Henley explained that State Vehicle Code requires when a driver approaches an intersection where lights are not functioning, that intersection becomes a four-way stop. Public Works Director Steve Henley further explained that should a stand-up stop sign be placed, it would need to be manned until the lights return operational. He noted that drivers could become confused if traffic lights begin working and a stand-up stop sign remain in place.

**COUNCIL/AGENCY
COMMENTS**

Council Member Allen thanked the Council for their support of the Dare to Care event.

Mayor Pro Tem King pointed out the Thunderfest Car Show and Music Festival is this coming weekend.

Mayor Delach announced that the Thunderfest Car Show and Music Festival is this Saturday, October 23, 2010 at 12:30 p.m., presented by the Covina Parks and Recreation Department. For additional information, please contact Parks and Recreation at (626) 384-5340. Mayor Delach reported the Christmas Parade Committee would be holding an opportunity drawing to raise money for the 60th Annual Parade. Opportunity tickets are being sold for a \$2 donation and the winners will be selected at the November 16, 2010 City Council meeting. For ticket information, please contact the Parks and Recreation Department at (626) 384-5340. Mayor Delach indicated that Thursday, October 21, 2010 is the last day to enter the Covina Christmas Parade.

**CITY MANAGER
COMMENTS**

City Manager Daryl Parrish noted item CC4 was pulled from the agenda. City Manager Parrish reported the Xit Poll survey tool would be used at the Thunderfest Car Show, which will have five questions

for the public to respond. The survey tool will be used to solicit community input about the City of Covina.

**CONSENT
CALENDAR**

On a motion by Council Member Stapleton, seconded by Council Member Low, the City Council/Redevelopment Agency/Public Finance Authority approved Consent Calendar items CC1, CC2, CC3, CC5, CC6, CC7, CC8, CC9 and CC10. **Motion carried 5-0.** Consent Calendar item CC4 was removed from the Agenda.

**REGULAR CITY
COUNCIL/CRA/CPFA
MEETING MINUTES
CC1**

City Council approved the Minutes of the October 5, 2010 Regular City Council/Redevelopment Agency Meeting.

**PAYMENT OF DEMANDS
CC2**

City Council approved Payment of Demands in the amount of \$4,386,888.65.

**AMEND MUNICIPAL
CODE
CC3**

City Council adopted **Ordinance No. 10-1988**, second reading of an ordinance amending Title 1 and Title 8 of the Covina Municipal Code pertaining to Code Enforcement Activities.

**EMPLOYMENT
AGREEMENT
CC4**

City Council to approve the Employment Agreement between the City of Covina and Dilu De Alwis for Director of Finance. *Item was removed from the Agenda.*

**GENERAL MUNICIPAL
ELECTION
CC5**

City Council adopted:

- a) **Resolution No. 10-6896**, calling for the holding of a General Municipal Election to be held on Tuesday, March 8, 2011, for the election of certain officers as required by the provisions of the laws of the State of California relating to general law cities.
- b) **Resolution No. 10-6897**, requesting the Board of Supervisors of the County of Los Angeles to render specified services to the City of Covina relating to the conduct of a General Municipal Election.
- c) **Resolution No. 10-6898**, adopting regulations for candidates for elective office pertaining to candidates statements submitted to the voters at an election to be held on Tuesday, March 8, 2011.

**SALES TAX REPORT
CC6**

City Council received and filed the Public Works Department Monthly Activity Report.

**ANNUAL REPORT AND
ASSESSMENT OF BAED
CC7**

City Council:

- a) Approved the Annual Report of the Advisory Board of the Downtown Covina Business Area Enhancement District (BAED).
- b) Adopted **Resolution No. 10-6901**, declaring its intent to levy an annual assessment for the Fiscal Year 2010-11 in the Downtown Business Area Enhancement District, and establishing the date, time and place for the public hearing.

**CRA PAYMENT OF
DEMANDS
CC8**

Redevelopment Agency to approve Payment of Demands in the amount of \$156,629.81.

**CRA RELOCATION AND
LEASE TERMINATION
SETTLEMENT AGREEMENT
CC9**

Redevelopment Agency approved the Relocation and Lease Termination Settlement Offer/Agreement with Candy Connection as part of the Olson Citrus Walk Project.

**CPFA ESTABLISHING
POSTING OF MEETINGS
CC10**

Finance Authority adopted **Resolution No. 10-09**, establishing the posting of meetings of the Covina Public Financing Authority.

**PUBLIC HEARING
REVOCATION OF CUP
AND BUSINESS LICENSE
PH 1**

City Council consideration of revocation of Conditional Use Permits #87002 and 99-001 and Business License #027874 for the establishment commonly known as “The Well” bar, located at 989 West San Bernardino Road, Covina, California, 91722.

Mayor Delach opened the Public Hearing at 9:08. There were no speakers.

On a motion by Council Member Low, seconded by Council Member Allen to continue the Public Hearing to the November 2, 2010 City Council meeting. **Motion carried unanimously.**

CONTINUED BUSINESS

**STRATEGIC PLAN
CB 1**

On a motion by Council Member Stapleton, seconded by Council Member Low, the City Council received and filed the update on the Strategic Plan. **Motion carried 5-0.**

**RENEW BUSINESS
LICENSE AND
CERTIFICATE OF PUBLIC
CONVENIENCE
CB 2**

City Council to renew Business License and Certificate of Public Convenience and Necessity for Southern California Transcorp Incorporated, DBA, Yellow Cab Company of San Gabriel Valley.

Helen Garcia, Public Relations for Southern California Transportation, provided a letter to the City Council regarding complaints from her taxi drivers of fair stealing by other taxi companies. Ms. Garcia spoke about Southern California Transportation willingness to serve the community and bringing better taxi service to the City.

Neil Evans attorney for Triple-A Yellow Cab Company communicated a concern regarding the staff report referencing Southern California Transportation when the agenda and application illustrate Southern California Transcorp Incorporated. He noted that Southern California Transcorp is a dissolved corporation. Mr. Evans stated his company would like to be held to the same standard of being a corporation in good standing. Mr. Evans requested fairness, consistency and compliance with the law and the application submitted two years ago be acted on.

City Attorney Marco Martinez stated that the City Staff verified they had the appropriate paperwork for Southern California Transportation

DBA Yellow Cab Company and at one time had a license under Transcorp. He noted that the Covina Municipal Code provides that a licensee keep information updated within a reasonable amount of time. City Attorney Marco Martinez stated Staff is working with the applicant regarding land use concerns and the number of taxicabs authorized within a specific area of the City. He noted that Mr. Evans brings a valid point about the correct agenda title and recommended that Council carry this item over to the next City Council meeting with the correct identification of the company.

On a motion by Council Member Stapleton, seconded by Council Member Allen, the City Council made a motion to carry this item over to the City Council meeting of November 2, 2010, with the noted corrections. **Motion carried 5-0.**

**RENEW BUSINESS
LICENSE AND
CERTIFICATE OF PUBLIC
CONVENIENCE
CB 3**

On a motion by Council Member Low, seconded by Mayor Pro Tem King, the City Council directed the Finance Department to renew a Business License and update Certificate of Public Convenience and Necessity in accordance with Chapter 5.44 of the Covina Municipal Code to Diversified Transportation, LLC, DBA Pomona Yellow Cab. **Motion Carried 5-0.**

**CONVENED TO CLOSED
SESSION**

At 9:22 p.m., Mayor Delach convened the City Council/Redevelopment Agency/Public Finance Authority meeting into Closed Session. There were no announcements. City Attorney Marco Martinez noted that the City Council would be recessing into Closed Session to complete discussion for the remaining items related to Closed Session item A and stated there should be no reportable actions at the conclusion.

ADJOURNMENT

At 9:59 p.m., Mayor Delach adjourned the City Council/Redevelopment Agency/Public Finance Authority meeting to the Strategic Planning Meeting to be held on **Tuesday, October 26, 2010** at 8:30 a.m.

Catherine M. LaCroix
Deputy City Clerk/Agency Secretary


Approved this 2nd day of November, 2010.

Peggy Delach, Mayor/Chairperson

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: CC 2

STAFF SOURCE: Dilu de Alwis, Finance Director 
Steven Smith, Management Analyst

ITEM TITLE: FY 2009-10 4th Quarter Update on Major Funds

STAFF RECOMMENDATION

Receive and file the budget update report for the quarter ended June 30, 2010.

FISCAL IMPACT

None.

BACKGROUND

The current City of Covina Budget Policy requires staff to provide quarterly reports to the City Council on the status of budgeted revenues and expenditures. Attached is the report for the quarter/fiscal year ended June 30, 2010. The amounts presented reflect all year-end accruals and any audit adjustments as of October 18th, 2010.


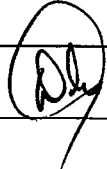

As detailed in the report, at the end of the fiscal year, General Fund revenues were at 95.5% of budget and expenditures were at 95.2% of budget. Expenditures exceeded revenues by \$1.2 million, slightly less than the \$1.3 million decrease in fund balance that had been budgeted.

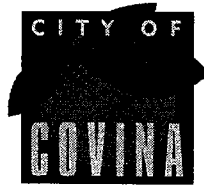
RELEVANCE TO STRATEGIC PLAN

Not applicable.

EXHIBITS

A. Budget Report for Quarter Ended 6/30/10.

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____



City of Covina

Quarterly Report

Fiscal Year 2009-2010, Fiscal Year Ended 6/30/10

November 2010

OVERVIEW

The accompanying financial report reflects the City's budget position for the fiscal year ended 6/30/10. Included in this report are the General Fund, Redevelopment Agency, and Enterprise Funds, with a more detailed focus on the General Fund.

Budgeted amounts include any revisions to the Adopted Budget based on Council action as of 6/30/10.

The City's cash balance as of 6/30/10 is \$10,262,108.54. This total includes the combined cash balances of all City funds and is not limited to the General Fund. **CRA's cash balance as of 6/30/10 is \$ 4,858,586.36** and includes the combined cash balances of all Redevelopment funds. The cash balances for both the City and Redevelopment Agency are strictly available cash and are exclusive of any long-term investments. *As a point of reference, the cash balances as of 6/30/09 was \$14,683,797.43 for the City and \$10,485,299.51 for CRA.* The cash balances for the previous quarter ending 03/31/10 were \$4,712,984.01 for the City and \$10,818,937.78 for CRA. The **increase** quarter over quarter in the City's cash balance is due to the final receipt of high-dollar revenues that are generally received in the last quarter of the fiscal year, as well as some higher-than-anticipated revenue in non-general funds. The marked **decrease** in CRA's cash balance quarter over quarter is due to several high-dollar payments, including the purchase of property as well as the ERAF payment to the State.

GENERAL FUND

At the end of the fiscal year, General Fund revenues were received at 95.5% of projections and expenditures were at 95.2% of budget. The revenue and expenditure totals include any year-end adjustments or accruals.

Total Revenue and Expenditures

General Fund	Budget	YTD Actual	%
Revenue	30,436,832	29,060,142	95.5%
Expenditures	37,639,566	35,822,560	95.2%

The total of General Fund expenditures was under budget for the fiscal year. This is due in large part to cost-cutting measures initiated by the City Manager to help cover a projected \$2.8 million budget shortfall. The result of those reductions - in conjunction with department-level expense reductions - was that the General Fund came in at \$1.8 million **under budget**.

While it appears that expenditures over revenues produced an almost \$6.9 million decrease in fund balance, it should again be noted that \$5.4 million of the total budgeted expenditures represented a one-time transfer from restricted general funds to internal service funds to account for Worker's Compensation and Public Liabilities. Exclusive of that transfer, expenditures exceeded revenues by \$1.2 million - slightly less than the \$1.3 million decrease in fund balance that was budgeted for the 09/10 fiscal year.

"Expenditures by Program" show all categories under 100% for the fiscal year, with the exception of Community Development." **This is not indicative of a major cost overrun.** Rather, this includes pass-through expenditures for plan check fees, which are directly offset by revenue.

Expenditures by Program

Expenditures	Budget	YTD Actual	% Expended
General Government	4,240,452	3,624,339	85.5%
Public Safety	21,458,931	20,897,663	97.4%
Public Works	841,110	548,569	65.2%
Culture & Recreation	3,801,633	3,589,494	94.4%
Community Development	629,050	908,986	144.5%
Non Departmental	77,170	28,186	36.5%
Debt Service	152,270	107,483	70.6%
Other Financing/Transfers	6,438,950	6,117,840	95.0%
Total Expenditures	37,639,566	35,822,560	95.2%

“Expenditures by Major Category” show all categories under 100% for the fiscal year. Several capital projects that were budgeted were not completed this fiscal year and were included in the carryover requests that were sent to Council on October 5, 2010.

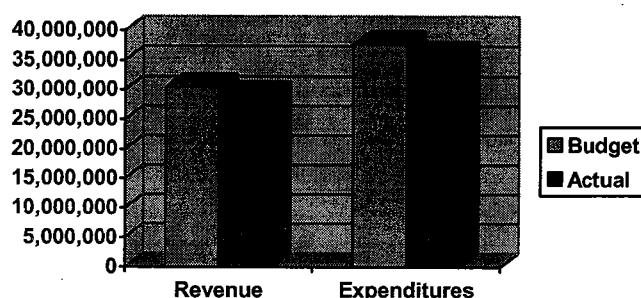
Expenditures by Major Category

Expenditures	Budget	YTD Actual	% Expended
Personal Services	18,889,760	18,146,359	96.1%
Professional & Technical	11,579,253	11,303,299	97.6%
Property Services	2,096,581	1,783,576	85.1%
Other Services & Charges	2,393,687	2,269,425	94.8%
Supplies	679,281	526,000	77.4%
Capital Outlay	494,362	76,703	15.5%
Debt Service	152,270	107,483	70.6%
Contingency	20,000	-	0.0%
Interdepartmental Charges	(5,205,410)	(4,562,941)	87.7%
Other Financing	6,539,782	6,172,656	94.4%
Total Expenditures	37,639,566	35,822,560	95.2%

Total revenues for the year were \$1.3 million under budget for the year. While several major revenue categories came in over budget for the year, the greatest impact was seen in lower-than-projected taxes – almost \$2.1 million under budget. The bulk of that amount was reflected in lower Sales Tax and Utility User Tax revenues. These losses – which could have contributed to a much larger decrease in fund balance - were mitigated by the aforementioned cost-cutting measures.

Revenues by Major Category

Revenue	Budget	YTD Actual	% Received
Taxes	23,664,780	21,580,336	91.2%
Licenses & Permits	376,990	408,891	108.5%
Intergovernmental	863,352	971,713	112.6%
Charges for Services	1,665,480	2,099,733	126.1%
Fines & Forfeits	684,500	702,114	102.6%
Investment Earnings	343,390	322,588	93.9%
Miscellaneous	120,690	51,791	42.9%
Other Financing Sources	2,714,270	2,922,976	107.7%
Total Revenues	30,433,452	29,060,142	95.5%

General Fund Budget to Actual YTD**REDEVELOPMENT AGENCY**

Redevelopment Agency Budget Condition: The Redevelopment Agency consists of three major components: Low-Moderate Income Housing, Tax Allocation Debt, and Redevelopment.

At the end of the fiscal year, CRA revenues were at 105.2% and expenditures were at 53.4% of budget. The revenue and expenditure totals include any year-end adjustments or accruals.

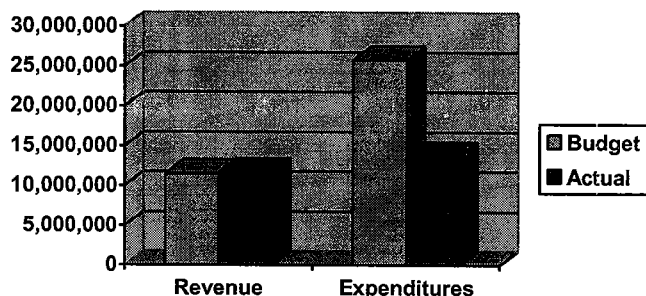
Redevelopment	Budget	YTD Actual	%
Revenue	11,501,380	12,104,278	105.2%
Expenditures	25,769,880	13,761,237	53.4%

CRA expenditures being at only 53.4% of budget – only one half of the Adjusted Budget for the year - is largely due to the carry over of appropriations from FY 08/09 and budget increases approved by the Agency. These appropriations are related to ongoing capital projects and were not expended during the fiscal year. Approximately \$6 million for these projects was requested to be carried over from Fiscal Year 09/10 to Fiscal Year 10/11.

It should be noted again that due to the State money grab of CRA revenues, the Agency lost over \$2.5 million in ERAF payments to the State.

Expenditures	Budget	YTD Actual	% Expended
Low-Moderate Income	8,129,830	1,629,424	20.0%
Tax Allocation	9,483,530	9,371,458	98.8%
Redevelopment	8,156,520	2,760,355	33.8%
Total Redevelopment	25,769,880	13,761,237	53.4%

Redevelopment Agency Budget to Actual YTD



ENTERPRISE FUNDS

Enterprise Fund Budget Condition: The City maintains two Enterprise Funds (a fund established to account for operations financed and operated in a manner similar to private business enterprise). For the City of Covina, these two funds are the Water Utility and Environmental Services Funds.

At the end of the fiscal year, the combined Enterprise Fund revenues were at 107.9% and expenditures were at 68.4% of budget. The revenue and expenditure totals include any year-end adjustments or accruals.

Enterprise Funds	Budget	YTD Actual	%
Revenue	9,566,790	10,324,004	107.9%
Expenditures	13,223,712	9,041,813	68.4%

While Environmental Services expenditures were just below budget, the Water Utility budget was markedly under budget. This is primarily due to supplies for the Water Utility coming in under budget, as well as budgeted capital outlay expenses not being realized for the year.

Expenditures	Budget	YTD Actual	% Expended
Water Utility	9,441,102	5,451,107	57.7%
Environmental Services	3,782,610	3,590,706	94.9%
Total Enterprise Funds	\$ 13,223,712	\$ 9,041,813	68.4%

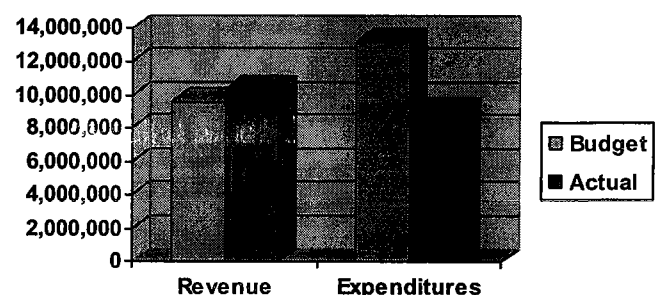
The combined Enterprise Fund revenues were at 107.9% of budget for the fiscal year with both the Water and Environmental Funds realizing revenues over 100% of budget.

While both funds will recognize an increase in fund balance for the year, it should be pointed out that if the budget for water capital outlay had been expended this year, it would have resulted in a \$2 million decrease in the water fund balance. This situation will be rectified by the recent increase in water rates, will help to stabilize the fund and provide the cash flow for much-needed capital improvement projects to the water system.

The parity in terms of dollars of Environmental Services revenues vs. expenditures at the end of the year showed that expenditures were covered by revenue with only a slight increase in fund balance for the year. As enterprise funds are established in such a way as to directly cover costs, this is what we would normally expect to see.

Revenue	Budget	YTD Actual	% Received
Water Utility	5,958,700	6,580,752	110.4%
Environmental Services	3,608,090	3,743,252	103.7%
Total Enterprise Funds	\$ 9,566,790	\$ 10,324,004	107.9%

Enterprise Funds Budget to Actual YTD



CITY OF COVINA

AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: CC 3

STAFF SOURCE: John B. Fielding, Treasurer 
Dilu DeAlwis, Finance Director
Alan Sands, Accountant

ITEM TITLE: Quarterly Report of the Treasurer to the City Council for the Quarter Ended September 30th, 2010

STAFF RECOMMENDATION

Receive and file the Quarterly Report of the Treasurer for the Quarter Ended September 30th, 2010.

FISCAL IMPACT

None.

BACKGROUND

In accordance with State legislation, the Treasurer is required to submit annually a statement of investment policy to the City Council for adoption. The original policy was adopted at the meeting of July 6, 2010.

Section 4.0 of the policy requires a report by the Treasurer to the City Council and City Manager containing detailed information on all securities, investments, and moneys of the City. The report shall be submitted on a quarterly basis within 30 days following the end of the quarter. The report for the quarter ended September 30, 2010 is being presented showing cash placement, containing a statement that investments are in compliance with adopted policy, and that there are sufficient surplus funds immediately available to meet the pooled expenditures of the City for the next six months.

RELEVANCE TO STRATEGIC PLAN

Not Applicable.

EXHIBITS

- A Quarterly Report of the Treasurer to the City Council for the Quarter Ended September 30, 2010
- A-1 Cash and Investment Summary
- A-2 Bond Logistix Investment Portfolio Summary
- A-3 Diversified Securities Investment Portfolio Summary
- A-4 Smith Barney Investment Portfolio Summary
- A-5 Investment Holdings by Sector
- A-6 City & CRA Cash & Investments Three Year Comparison

REVIEW TEAM ONLY

City Attorney: 

Finance Director: 

City Manager: 

Other: _____

EXHIBIT A
REPORT OF THE CITY TREASURER TO THE CITY COUNCIL

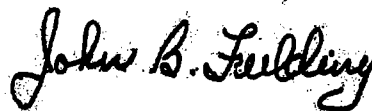
CASH BALANCE	6/30/2010	\$25,509,559.30
RECEIPTS	7/1/10-9/30/10	9,030,807.47
		<u>34,540,366.77</u>
DISBURSEMENTS	7/1/10-9/30/10	<u>(15,341,495.34)</u>
CASH BALANCE	9/30/2010	<u>\$19,198,871.42</u>

ANALYSIS OF CASH AND INVESTMENT BALANCE

LAIF	STATE FUND	2,449,566.05
BOND LOGISTIX INVESTMENT PORTFOLIO	EXHIBIT A-2	12,309,553.32
WELLS FARGO MONEY MARKET AND U.S. TREASURY BILLS	EXHIBIT A-2	110,285.42
DIVERSIFIED SECURITIES INVESTMENT PORTFOLIO	EXHIBIT A-3	0.00
FEDERATED CAPITAL RESERVE MONEY MARKET	EXHIBIT A-3	1,127,810.71
SMITH BARNEY INVESTMENT PORTFOLIO	EXHIBIT A-4	1,731,048.97
SMITH BARNEY MONEY MARKET	EXHIBIT A-4	41,914.42
TOTAL INACTIVE PUBLIC DEPOSITS		<u>17,770,178.88</u>
CHECKING AND PETTY CASH BALANCES		<u>1,428,592.54</u>
CASH AND INVESTMENT BALANCE	9/30/2010	<u>\$19,198,771.42</u>
CASH HELD BY THIRD PARTY ADMINISTRATORS		<u>15,572,812.67</u>
TOTAL CASH AND INVESTMENT BALANCE	9/30/2010	<u>\$34,771,584.09</u>

This report is in compliance with the City of Covina (City) Statement of Investment Policy.
There is sufficient investment liquidity to meet the pooled expenditures of the City for
the next 6 months.

Respectfully submitted,



John B. Fielding
Treasurer

EXHIBIT A-1
CITY OF COVINA
QUARTERLY TREASURER'S REPORT - SEPTEMBER 30, 2010

TYPE OF INVESTMENT	ISSUER	BOOK VALUE \$	ACQUISITION DATE	MATURITY DATE	MARKET VALUE \$
City of Covina:					
Petty Cash	N/A	9,760.49	N/A	N/A	9,760.49
General - Checking Account	Bank of the West	1,215,076.69	N/A	Demand	1,215,076.69
Workers' Compensation - Checking Account	Bank of the West	15,000.00	N/A	Demand	15,000.00
Payroll - Checking Account	Bank of the West	35,000.00	N/A	Demand	35,000.00
Community Resources - Checking Account	Bank of the West	5,000.00	N/A	Demand	5,000.00
Federal Treasury Narcotics - Checking	Bank of the West	14,599.52	N/A	Demand	14,599.52
Federal Justice Dept Admin - Checking	Bank of the West	120,879.84	N/A	Demand	120,879.84
AFLAC Flexible Spending Account	Bank of the West	13,276.00	N/A	Demand	13,276.00
Bond Logistix Investment Portfolio	Various	12,309,553.32	Various	Various	12,315,023.20
Wells Fargo Money Market and U.S. Treasury Bills	Various	110,285.42	N/A	Demand	110,285.42
Diversified Securities Investment Portfolio	Various	-	Various	Various	-
Federated Capital Reserve Money Market	Various	1,127,810.71	Various	Demand	1,127,810.71
Smith Barney Investment Portfolio	Various	1,731,048.97	Various	Various	1,728,169.01
Smith Barney Money Market	Various	41,914.42	Various	Demand	41,914.42
Local Agency Investment Fund	State of California	2,449,566.05	N/A	Demand	2,449,566.05
Subtotal (A)		\$19,198,771.42			\$19,201,361.35
Cash Held Under 3rd Party Administrator:					
1999 Water Certificate of Participation Fiscal Agent: BNY Western Trust Company	Wells Fargo Treasury Plus Money Market	483,115.00	N/A	Demand	\$483,115.00
2009 Covina Wastewater Bonds Fiscal Agent: BNY Western Trust Company		14,817,340.35	N/A	Demand	14,782,304.69
2004 MTA Prop C Sales Tax Revenue Bond Fiscal Agent: U.S. Bank Reserve	U.S. Bank	243,186.82	N/A	Demand	\$243,186.82
2004 MTA Prop C Sales Tax Revenue Bond Fiscal Agent: U.S. Bank	U.S. Bank	29,170.50	N/A	Demand	\$29,170.50
Subtotal (B)		\$15,572,812.67			\$15,537,777.01
TOTAL (A+B)		\$34,771,584.09			\$34,739,138.36

Comment:

The investments are in compliance with the adopted policy of the City of Covina.

Exhibit A-2
CITY OF COVINA
Bond Logistix
Investment Portfolio as of
September 2010

Date	Qty	Price	Market Value	Cost Value	Total	Yield	Maturity	Issuer
09/28/09	20,000	107.844000	2,156,880.00	2,161,740.00	2,161,740.00	4.5000	10/17/2012	Fed Farm Credit Bank
08/27/08	22,000	103.219000	2,270,818.00	2,301,090.00	2,301,090.00	3.6250	9/16/2011	Fed Home Ln Bank
02/19/09	20,000	102.469000	2,049,380.00	2,015,560.00	2,015,560.00	2.1250	3/23/2012	Fed Home Ln Bank
08/26/09	21,000	105.594000	2,217,474.00	2,284,296.00	2,284,296.00	5.3750	11/15/2011	Fed National Mortgage
10/10/08	10,000	103.969000	1,039,690.00	1,076,015.63	1,076,015.63	4.6250	8/31/2011	US Treasury
10/10/08	9,500	104.184000	989,748.00	1,019,765.63	1,019,765.63	4.5000	9/30/2011	US Treasury
06/30/09	20,000	107.883000	2,157,660.00	2,186,250.00	2,186,250.00	4.8750	6/30/2012	US Treasury
10/31/07	15,000	107.203000	1,608,045.00	1,532,578.13	1,532,578.13	3.8750	10/31/2012	US Treasury
12/31/07	10,000	107.086000	1,070,860.00	1,072,265.63	1,072,265.63	3.6250	12/31/2012	US Treasury
03/31/08	13,000	104.977000	1,364,701.00	1,344,230.47	1,344,230.47	2.5000	3/31/2013	US Treasury
04/30/08	21,000	106.695000	2,240,595.00	2,193,187.50	2,193,187.50	3.1250	4/30/2013	US Treasury
11/17/08	20,000	101.602000	2,032,040.00	2,039,062.50	2,039,062.50	1.7500	11/15/2011	US Treasury
03/15/09	13,500	101.539000	1,370,776.50	1,370,250.00	1,370,250.00	1.3750	3/15/2012	US Treasury
05/15/09	20,000	101.621000	2,032,420.00	1,982,187.50	1,982,187.50	1.3750	5/15/2012	US Treasury
07/15/09	13,500	102.023000	1,377,310.50	1,376,736.33	1,376,736.33	1.5000	7/15/2012	US Treasury
07/31/09	20,000	100.605000	2,012,100.00	2,012,031.25	2,012,031.25	1.0000	7/31/2011	US Treasury
09/15/09	17,000	101.840000	1,731,280.00	1,725,699.22	1,725,699.22	1.3750	9/15/2012	US Treasury
04/30/07	10,000	106.578000	1,065,780.00	1,080,937.50	1,080,937.50	4.5000	4/30/2012	US Treasury
			\$ 30,787,558.00	\$ 30,773,883.29	\$ 30,773,883.29			

Wells Fargo Money Market \$ 275,713.54

Total Value of Portfolio \$ 31,049,596.83

Sold/Matured Investment

09/24/08	14,000	104.176000	1,458,464.00	1,499,312.50	1,499,312.50	4.8750	7/31/2011	US Treasury
				\$ (1,458,351.56)				
08/26/09	12,000	100.734000	1,208,808.00	1,203,000.00	1,203,000.00	1.1250	6/30/2011	US Treasury
				\$ (1,208,437.50)				
Total			\$ 1,208,808.00	\$ 35,523.44	\$ 1,203,000.00			

Interest Summary

Interest Collected in 9/30/2010 116,983.54

Cost Breakdown**Investment:**

CRA portion	\$ 18,464,329.97
City portion	12,309,553.32
	<u>\$ 30,773,883.29</u>

Money Market:

CRA portion	\$ 165,428.12
City portion	\$ 110,285.42
	<u>\$ 275,713.54</u>

Interest Collected in

City 40%	46,793.42
CRA 60%	<u>70,190.12</u>
Total	116,983.54

Gain (Loss) on sale of investment	<u>(35,523.44)</u>
City 40%	(14,209.38)
CRA 60%	<u>(21,314.06)</u>
Total	(35,523.44)

City 40%

1010-0000-00-10881	46,793.42	-
1010-0000-00-47200	-	46,793.42
1010-0000-00-10881	-	14,209.38
1010-0000-00-47200	14,209.38	-

CRA 60%

5011-0000-00-10881	70,190.12	-
5011-4400-00-47200	-	70,190.12
5011-0000-00-10881	-	21,314.06
5011-4400-00-47200	21,314.06	-

Exhibit A-3
CITY OF COVINA
Diversified Securities
Investment Portfolio as of
September 2010

Date	Qty	Price	Market Value	Cost Value	Total	Yield	Maturity	Issuer
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	Total		\$ -	\$ -	\$ -			
--	-------	--	------	------	------	--	--	--

Federated Capital Reserve Money Market					\$ 2,255,621.42			
--	--	--	--	--	-----------------	--	--	--

	Total Value of Portfolio				\$ 2,255,621.42			
--	---------------------------------	--	--	--	------------------------	--	--	--

-

Sold/Matured Investment

	Total		\$ -					
--	-------	--	------	--	--	--	--	--

Interest Summary

Interest Collected in	9/30/10			50.29			
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Fee Summary

Fees Collected in	9/30/10			-			
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Cost Breakdown

Investment:

CRA portion				\$ -			
City portion				-			
				\$ -			

Money Market:

CRA portion				\$ 1,127,810.71			
City portion				\$ 1,127,810.71			
				\$ 2,255,621.42			

Interest Collected in

City 50%				25.15			
CRA 50%				25.14			

Exhibit A-3
CITY OF COVINA
Diversified Securities
Investment Portfolio as of
September 2010

	Total	50.29
Fee Summary		
	City 50%	-
	CRA 50%	-
	Total	-
	Gain (Loss) on sale of investment	-
	City 50%	-
	CRA 50%	-
	Total	-

City 50%

interest		
1010-0000-00-10882	25.15	
1010-0000-00-47200		25.15
gain/loss sale		
1010-0000-00-10882	-	
1010-0000-00-47200		-
management fees		
1010-0500-00-51110	-	
1010-0000-00-10882		-

CRA 50%

interest		
5011-0000-00-10882	25.14	
5011-4400-00-47200		25.14
gain/loss sale		
5011-0000-00-10882	-	
5011-4400-00-47200		-
management fees		
5011-4400-00-51110	-	
5011-0000-00-10882		-

Exhibit A-4
CITY OF COVINA
Smith Barney
Investment Portfolio as of
September 2010

Date	Qty	Price	Market Value	Cost Value	Total	Yield	Maturity	Issuer
1/29/2010	3,850	100.172000	385,662.20	388,144.45	388,977.39	1.2500	11/30/2010	US Treasury
5/17/2010	1,000	100.164000	100,164.00	100,355.80	100,689.36	0.8750	12/31/2010	US Treasury
6/3/2010	1,500	100.164000	150,246.00	150,504.45	151,066.43	0.8750	12/31/2010	US Treasury
6/21/2010	2,800	100.164000	280,459.20	280,952.56	282,123.42	0.7500	12/31/2010	US Treasury
4/30/2010	3,700	100.281000	371,039.70	371,518.52	372,081.86	0.8750	2/28/2011	US Treasury
3/23/2010	3,000	99.930000	299,790.00	298,689.00	298,689.00	-	3/1/2011	Fed National Mortgage Association
8/31/2009	2,500	100.328000	250,820.00	250,820.00	251,458.37	0.8750	3/31/2011	US Treasury
9/13/2010	1,900	100.328000	190,623.20	190,623.20	191,434.59	0.8750	3/31/2010	US Treasury
12/30/2009	4,000	100.379000	401,516.00	401,516.00	401,419.24	0.8750	4/30/2011	US Treasury
5/29/2009	1,000	103.820000	103,820.00	108,398.77	108,398.77	4.8750	7/31/2011	US Treasury
2/26/2010	2,000	100.746000	201,492.00	200,696.00	201,895.74	1.0000	10/31/2011	US Treasury
3/31/2010	1,200	100.746000	120,895.20	120,422.28	120,926.15	1.0000	10/31/2011	US Treasury
7/31/2009	3,500	102.023000	357,080.50	348,880.08	349,151.14	1.4970	7/15/2012	US Treasury
8/27/2010	1,900	100.418000	190,794.20	190,424.01	190,424.01	0.6250	7/31/2012	US Treasury
9/30/2009	1,600	101.840000	162,944.00	159,724.80	159,810.28	1.3770	9/15/2012	US Treasury
10/30/2009	1,200	101.840000	122,208.00	119,897.28	120,116.06	1.3750	9/15/2012	US Treasury
11/30/2009	1,400	101.930000	142,702.00	142,702.00	141,053.52	1.3750	11/15/2012	US Treasury
4/30/2009	200	101.242000	20,248.40	20,248.40	21,134.60	5.0000	1/15/2011	Oracle/Ozark
4/30/2009	200	101.825000	20,365.00	20,365.00	21,290.60	5.2500	2/22/2011	Cisco
4/30/2009	200	102.985000	20,597.00	20,597.00	21,724.80	7.8750	3/1/2011	AT&T Wireless
4/30/2009	200	102.913000	20,582.60	20,582.60	21,538.60	6.9500	3/15/2011	American Home Products
4/30/2009	200	103.244000	20,648.80	20,648.80	21,635.00	5.6000	5/15/2011	Abbott Laboratories
5/5/2009	200	104.742000	20,948.40	20,948.40	20,557.80	5.0000	11/15/2011	General Electric Cap Corp Medium
6/3/2010	2,000	103.037000	206,074.00	206,074.00	209,248.67	3.0000	12/9/2011	General Electric Cap Corp
7/14/2010	200	105.696000	21,139.20	21,139.20	21,718.93	5.3500	2/1/2012	Bear Stearns Co Inc sr Notes
7/14/2010	200	104.212000	20,842.40	20,842.40	21,173.10	3.7500	3/1/2012	Coca Cola Enterprisese
5/5/2009	200	106.393000	21,278.60	21,278.60	21,395.20	5.2500	3/1/2012	Hewlett-Packard Co Global
5/5/2009	200	103.844000	20,768.80	20,768.80	20,676.00	3.4500	3/3/2012	Chevron Corp
5/21/2009	200	103.917000	20,783.40	20,783.40	20,818.00	3.5500	3/6/2012	Eli Lilly & Co
5/5/2009	200	105.263000	21,052.60	21,052.60	21,234.00	4.4500	3/15/2012	Pfizer Inc
9/13/2010	1,400	102.464000	143,449.60	143,449.60	144,465.53	3.6250	8/1/2012	Bank of America Corp
7/14/2010	200	104.085000	20,817.00	20,817.00	20,909.13	3.6250	8/1/2010	Goldman Sachs Group Inc
6/21/2010	700	102.753000	71,927.10	71,927.10	71,814.87	2.0000	9/28/2012	General Electric Cap Corp
7/14/2010	200	101.984000	20,396.80	20,396.80	20,416.86	1.8750	11/20/2012	Boeing Co
8/13/2010	200	108.555000	21,711.00	21,711.00	22,059.70	4.5000	4/1/2013	Bank New York Inc Medium Term
7/13/2010	200	102.470000	20,494.00	20,494.00	20,344.31	2.0000	4/5/2013	Caterpillar Fin Service Corp
7/14/2010	200	110.349000	22,069.80	22,069.80	22,259.57	5.2500	4/15/2010	Verizon Communications
45,550								
Total			\$ 4,608,450.70	\$4,600,463.70	\$ 4,616,130.60			

Federated Capital Reserve Money Market					\$ 111,771.78	check		
						prior mo bal	4,729,722.49	
						transactions	(1,820.11)	
Total Value of Portfolio					\$ 4,727,902.38	Curr mo bal	4,727,902.38	
						Diff	-	

Sold/Matured Investment

3/31/2009	4,000	100.125000	400,500.00	418,651.20	418,651.20	4.3750	9/13/2010	Fed National Mortgage Association
				(400,000.00)				

Total	\$	400,500.00	\$	18,651.20
-------	----	------------	----	-----------

Interest Summary

Interest Collected in	Sep-10		16,831.09	
Accrued Interest paid	Sep-10	(-)		
Accrued Interest recei	Sep-10			16,831.09

Fee Summary

Fees Paid in	Sep-10
--------------	--------

Cost Breakdown

Investment:

CRA portion	\$	2,885,081.62
City portion		1,731,048.97
	\$	4,616,130.60

Money Market:

CRA portion	\$	69,857.36	2,954,938.99
City portion	\$	41,914.42	1,772,963.39
	\$	111,771.78	4,727,902.38

Interest Collected in

City 37.5%	6,311.66
CRA 62.5%	10,519.43
Total	16,831.09

Fee Summary

City 37.5%	-
CRA 62.5%	-
Total	-

Gain (Loss) on sale of investment

	(18,651.20)	
City 37.5%	(6,994.20)	
CRA 62.5%	(11,657.00)	
Total	(18,651.20)	(1,820.11)

CITY

interest		
1010-0000-00-10883	6,311.66	-
1010-0000-00-47200	-	6,311.66
gain/loss sale		
1010-0000-00-10883	-	6,994.20
1010-0000-00-47200	6,994.20	-
management fees		
1010-0500-00-51110	-	
1010-0000-00-10883		-

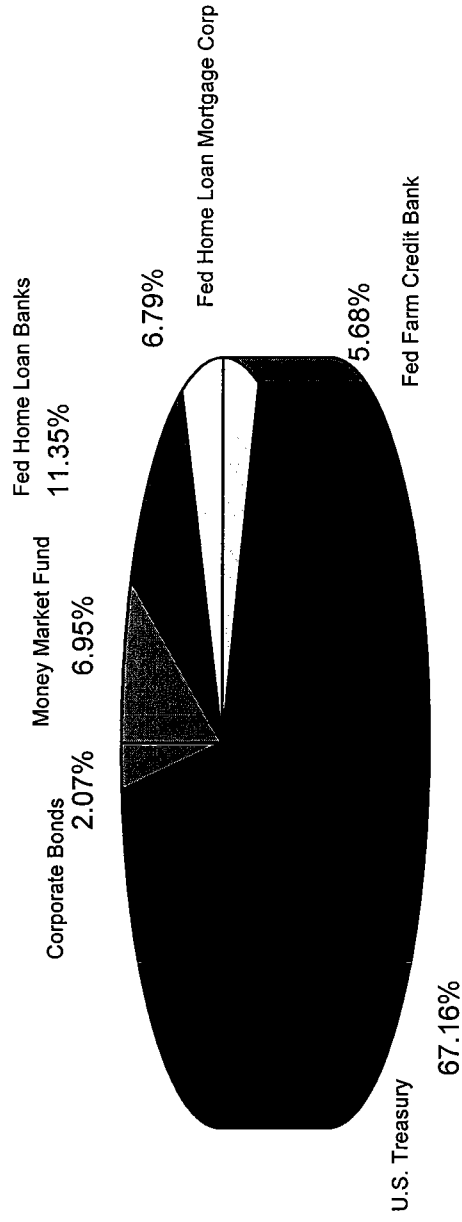
CRA

interest		
5011-0000-00-10883	10,519.43	-
5011-4400-00-47200	-	10,519.43
gain/loss sale		
5011-0000-00-10883	-	11,657.00
5011-4400-00-47200	11,657.00	-
management fees		
5011-4400-00-51110	-	
5011-0000-00-10883		-

EXHIBIT A-5 INVESTMENT HOLDINGS BY SECTOR

	Bond Logistix*	Diversified	Smith **	Total
	Investment	Securities	Barney	Investment
				Percentage
Money Market Fund	275,714	2,255,621	111,772	2,643,107
Fed Home Loan Banks	4,316,650	0	0	4,316,650
Fed Home Loan Mortgage Corp	2,284,296	0	298,689	2,582,985
Fed Farm Credit Bank	2,161,740	0	0	2,161,740
U.S. Treasury	22,011,197	0	3,531,026	25,542,224
Corporate Bonds	0	0	786,415	786,415
Total	31,049,597	2,255,621	4,727,902	38,033,121
				100.00%

Holdings by Sector



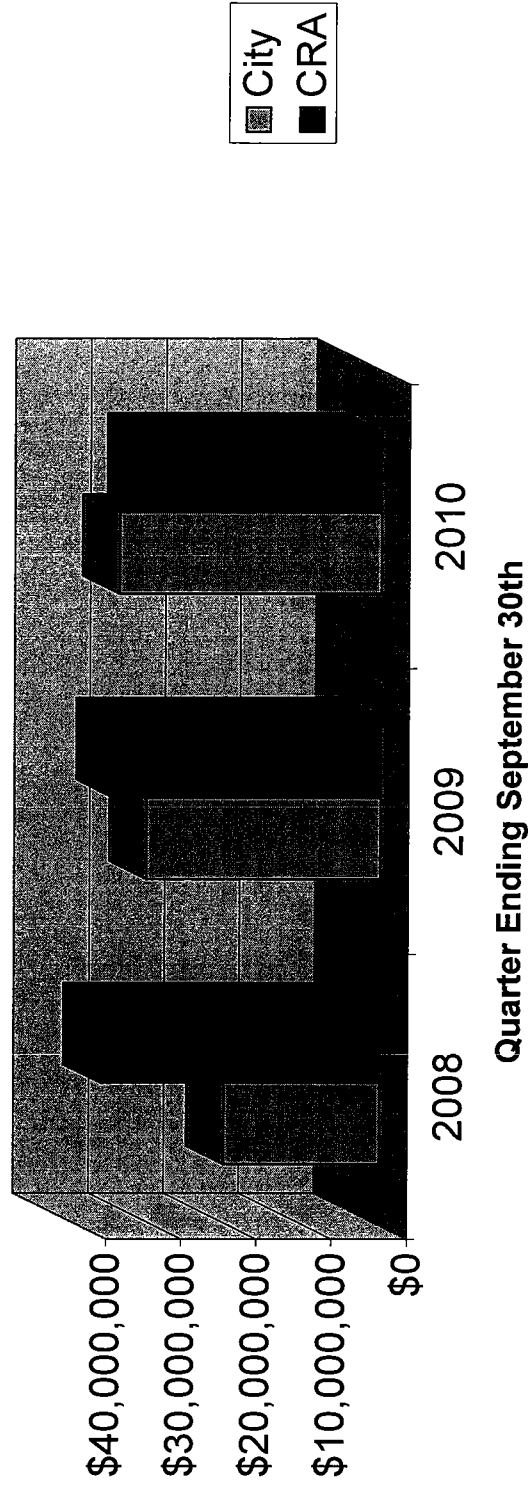
* Bond Logistix average S&P rating: AAA. Average coupon rate: 3.05%

** Smith Barney average S&P rating: AA+. Average coupon rate: 1.51%

City of Covina / CRA - Total Investments Year-Over-Year Comparison

Quarter Ending	City	CRA
9/30/2008	\$20,654,680.80	\$37,061,517.87
9/30/2009	31,098,483.37	35,510,951.44
9/30/2010	34,771,584.09	31,503,485.77

City of Covina & CRA Total Cash & Investments Three Year Comparison



CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: CC 4

STAFF SOURCE: Anthony Arroyo, Human Resources Director *RAA*

ITEM TITLE: Adopt Resolution No. 10-6888 Approving the Memorandum of Understanding between the City of Covina and the Police Association of Covina

STAFF RECOMMENDATION

Adopt Resolution No. 10-688 approving the Memorandum of Understanding (MOU) between the City of Covina and the Police Association of Covina for a period commencing July 1, 2009 through June 30, 2013.

FISCAL IMPACT

The fiscal impact was reported to the City Council on September 7, 2010. The financial impact will be stated again for the purposes of this staff report. For the 2010-11 fiscal year, the impact is \$69,623; for the 2011-12 fiscal year, the impact is approximately \$69,900; for the 2012-13 fiscal year, the impact is \$72,100. No budget amendment is required for the current fiscal year. The savings realized as a result of the negotiated MOU are: 3% contribution from non-sworn towards PERS member contribution; 3% contribution from new sworn effective January 1, 2011; capping medical cash out at \$400 for new hires effective January 1, 2011.

BACKGROUND

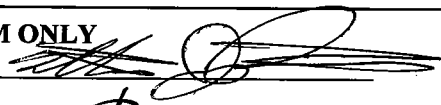


On September 7, 2010, the City Council approved the major negotiation points agreed to between the City of Covina and the Police Association of Covina. As stated in the aforementioned agenda item, the MOU would be presented to the Council for formal adoption. The reason the MOU was not presented earlier was that Human Resources Staff had to recreate the entire document, which took some time. In addition, the city needed to realize the savings of the negotiated points; thus, the reason for the September 7, 2010 Council item.

RELEVANCE TO THE STRATEGIC PLAN

None. Negotiations with the Police Association of Covina was not part of the Strategic Plan.

EXHIBITS

A. Resolution No. 10-688, which includes the redline version of Resolution Exhibit A (PAC MOU).

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

RESOLUTION NO. 10-6888

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE POLICE ASSOCIATION OF COVINA FOR THE PERIOD COMMENCING JULY 1, 2009 THROUGH JUNE 30, 2013.

WHEREAS, the City Council is desirous of attracting and retaining qualified employees to the City's service through a competitive salary and benefit total compensation program; and

WHEREAS, representative of the city and the Police Association of Covina have met in good faith to reach an agreement on a new Memorandum of Understanding pursuant to Government Code Section 3500 et seq.; and

WHEREAS, said Memorandum of Understanding for the period commencing July 1, 2009 and expiring on June 30, 2013 has been ratified by a majority membership of the Police Association of Covina and is hereby presented to the City Council for its review and determination; and

NOW THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Covina, as follows:

SECTION 1. The City Council does hereby ratify and approve the Memorandum of Understanding between the City of Covina and the Police Association of Covina attached hereto as Exhibit A.

SECTION 2. That all resolutions or portions thereof, in conflict herewith are hereby repealed.

SECTION 3. That the Mayor of the City of Covina is hereby authorized, empowered and directed to execute said Memorandum of Understanding for and on behalf of the City.

SECTION 4. The City Clerk shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and is in force.

PASSED, APPROVED AND ADOPTED this 2nd day of November, 2010.

Mayor

ATTEST:

Deputy City Clerk

APPROVED AS TO FORM;

City Attorney

CERTIFICATION

I, Catherine LaCroix, Deputy City Clerk of the City of Covina, hereby CERTIFY that Resolution No. 10-6888 was adopted by the Covina City Council at a regular meeting of the City Council held November 2, 2010, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine LaCroix
Deputy City Clerk

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
THE POLICE ASSOCIATION OF COVINA**

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1.0. PREAMBLE

This agreement has been prepared in accordance with Chapter 10, Division 4, Title 1, of the California Government Code, and Section 15 of Resolution 2783 of the City of Covina. The City of Covina, hereinafter referred to as the "City" and the Police Association of Covina (PAC),

Deleted: 1.0. PREAMBLE	5¶
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**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
THE POLICE ASSOCIATION OF COVINA**

hereinafter referred to as the "Recognized Employee Organization" have reached this Memorandum of Understanding pursuant to meeting and conferring in good faith.

2.0. RECOGNITION

2.0.1 EXCLUSIVE REPRESENTATIVE

The Employer hereby acknowledges the Police Association of Covina as the exclusive representative for certain full time sworn and non-sworn employees in the Covina Police Department holding the classifications listed below, for the purpose of meeting and conferring in good faith regarding wages, hours, and other terms and conditions of employment.

2.0.1.1 NON-SWORN

COMMUNITY SERVICES OFFICER
COMMUNITY SERVICES SPECIALIST
COURT OFFICER
JAILER
PARKING ENFORCEMENT OFFICER
PUBLIC SAFETY DISPATCHER
POLICE RECRUIT
PROPERTY EVIDENCE CLERK

2.0.1.2 SWORN

POLICE OFFICER
POLICE SERGEANT

2.0.1.3 NEW CLASSIFICATIONS

Any other full-time classification(s) created hereinafter by the City of Covina that the City deems appropriate to the Police Association of Covina.

2.0.2 INDIVIDUAL EMPLOYEE RIGHTS

Employees of the City shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations including but not limited to wages, hours, and other terms and conditions of employment. Employees of the City also shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the City. No employee shall be interfered with, intimidated, restrained, coerced or discriminated against by the City or by any employee organization because of his/her exercise of these rights.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
THE POLICE ASSOCIATION OF COVINA**

3.0. EMPLOYEE DEFINITIONS

EMPLOYEE, FULL-TIME - means for purposes of this memorandum of understanding will exclude those not of permanent status of the previously listed position classifications. Permanent status does not include those on probation, of limited term (six months or less), or seasonal hire (school term or season of the year), of part-time status (working less than forty hours in a work week which is from Sunday through the following Saturday).

EMPLOYEE, CONFIDENTIAL - means an employee who is privy to decisions of City management affecting employer-employee relations.

EMPLOYEE, MANAGEMENT - means:

1. Any employee having significant responsibilities for formulating and administering City policies and programs, including but not limited to the City Manager and department heads; and/or
2. Any employee having authority to exercise independent judgment to hire, transfer, suspend, lay-off, recall, promote, discharge, assign, reward or discipline other employees, or having the responsibility to direct them, or to adjust their grievances, or effectively to recommend such action if in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment. (For illustrative purposes, "management employee" shall be interpreted to mean those classes above Police Sergeant).

EMPLOYEE, PROFESSIONAL - means employees engaged in work requiring specialized knowledge and skills attained through completion of a recognized course of instruction, including, but not limited to, attorneys, physicians, registered nurses, engineers, architects, teachers, and various type of physical, chemical, and biological scientists.

EMPLOYEE, SUPERVISOR - any individual having authority in the interest of the employer to hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward, or discipline other employee or responsibility to direct them, or to adjust their grievances, or effectively to recommend such actions, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

It is understood that the position of Police Sergeant is a position classification which is covered by this memorandum of understanding and is not considered exempted from the unit on grounds of his or her being a confidential, management or supervisory employee as defined earlier in this Article (3).

4.0. SCOPE AND PREVAILING RIGHTS

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
THE POLICE ASSOCIATION OF COVINA**

4.0.1 BASIC AGREEMENT

It is the intent and purpose of the Memorandum to assure sound and mutually beneficial working and economic relations between the parties hereto, to provide an orderly and peaceful means of resolving any misunderstanding of differences which may arise, and to set forth herein the basic and full agreement between the parties concerning wages, hours, and other terms and working conditions of employment.

However, non-conflicting prior practices shall continue without interruption as a prior practice, which shall be defined as a practice which has been (1) unequivocal; and (2) clearly enunciated and acted upon; and (3) readily ascertainable over a reasonable period of time as fixed and an established practice; and (4) is not in conflict with the Management Rights section of this Article.

4.0.2 DISCRIMINATION

In accordance with Federal and State Laws and in conformance with Covina's Equal Opportunity Plan, it shall be an unlawful employment practice to discriminate on the basis of Race, Color, Ancestry, Religious Creed, National Origin, Gender, Disability, Medical Condition, Age, Sexual Orientation or Marital Status. It is further agreed that the Recognized Employee Organization fully supports the City's Equal Opportunity Plan, and accept its responsibility for creating a work climate conducive to achieving the Equal Opportunity goals and programs outlined in the plan.

The parties hereto agree not to discriminate against any employee because of membership or non-membership activity on behalf of the Police Association of Covina.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
THE POLICE ASSOCIATION OF COVINA**

4.0.3 MANAGEMENT RIGHTS RESERVED

All management rights and functions except those which are clearly and expressly limited in this Memorandum of Understanding shall remain vested exclusively in the City. It is expressly recognized merely by way of illustration and not by way of limitation that such rights and functions include, but are not limited to:

- a. Manage the City
- b. Establish and schedule working hours.
- c. Establish, modify, or change work schedules or standards.
- d. Institute changes in procedures.
- e. Direct the work force, including the right to hire, promote, demote, transfer, suspend, discipline or discharge any employee.
- f. Determine the location of any new facilities, buildings, departments, divisions, or subdivisions thereof, and the relocation, sale, leasing or closing of facilities, departments, divisions or subdivisions thereof.
- g. Determine services to be rendered and frequency thereof.
- h. Determine the layout of buildings and equipment and materials to be used therein.
- i. Determine processes, techniques, methods, and means of performing work
- j. Determine the size, character and use of inventories.
- k. Determine financial policy including accounting procedure, establish and administer the fiscal year budget.
- l. Determine the administrative organization of the system.
- m. Determine selection, promotion or transfer of employees.
- n. Determine the size and characteristics of the work force.
- o. Determine the allocation and assignment of work to employees.
- p. Determine policy affecting the selection of new employees.
- q. Determine the establishment of quality and quantity standards and the judgment of quality and quantity standards of work required.
- r. Determine administration of discipline.
- s. Determine control and use of City property, materials and equipment.
- t. Schedule work periods and determine the number and duration of work periods.
- u. Establish, modify, eliminate or enforce rules and regulations.
- v. Place work with outside firms.
- w. Determine the kinds and numbers of personnel necessary to execute the City mission.
- x. Determine the methods and means by which such operations are to be conducted.
- y. Require employees, where necessary, to take in service training courses during working hours.
- z. Determine duties to be included in any job classifications.
- aa. Determine the necessity of overtime and the amount of overtime required.
- bb. Take any necessary action to carry out the mission of the City in cases of any emergency or other unusual situations.
- cc. Prescribe a uniform dress to be worn by designated employees.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
THE POLICE ASSOCIATION OF COVINA**

The exercise of the foregoing powers, rights, authority, duties, and responsibilities by the City, adoption of policies, rules, regulations, and practices in furtherance thereof, and the use of judgment and discretion in connection therewith, shall be limited only by the specific and express terms of this contract, and then only to the extent such specific and express terms are in conformance with law. As pursuant to the law, all subject, in relation to wages, hours, and working conditions will continue to be the subject of meet and confer or meet and consult, whichever is applicable.

4.0.4 EMPLOYEE RIGHTS

The rights of employees in the bargaining unit and of the Police Association of Covina are limited to those specifically set forth in this agreement, and the City retains all authority, powers, privileges and rights not specifically limited by the terms of this agreement.

All rights, privileges and working conditions officially recognized and generally enjoyed by the employees represented by the Police Association of Covina at the time of the signing of this Memorandum of Understanding which are not included in this memorandum shall remain in full force, unchanged and unaffected in any matter during the term of the memorandum unless changed by mutual consent. However, for such prior practices to be applicable they must not be in conflict with the Management Rights section of this Article.

5.0. SAVINGS CLAUSE

5.0.1 STATE AND FEDERAL OBLIGATIONS

This Memorandum shall not in any way interfere with the obligation of the parties hereto to comply with the State and Federal law or of any rule, legislation, regulation or order issued by such government authority pertaining to the matters covered herein.

5.0.2 COURT ACTIONS, LEGISLATION

If any provision of this Memorandum or the application of the Memorandum should be rendered or declared invalid by any court action or by reason of legislation, the remaining parts or portions of this Memorandum shall remain in full force and effect.

5.0.3 BINDING ON THE PARTIES

Except as provided in the above preceding paragraphs, the parties hereto agree that this Memorandum cannot be modified, changed or altered any way whatsoever except by mutual consent of said parties in writing.

6.0. FULL UNDERSTANDING, MODIFICATIONS, WAIVER

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
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It is intended that this Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

By the term "informal" it is understood to refer to such items as person-to-person arrangements unique to an individual situation or circumstance.

Except, as specifically provided herein, it is agreed and understood that both parties voluntarily and unqualifiedly waive their rights, and agree that the other shall not be required to negotiate with respect to any subject or matter covered herein during the term of this Agreement, unless otherwise specified herein.

Any agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall not be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved and implemented by the City Council.

The waiver of any breach, term or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

7.0. TERM AND RENEWAL OF MEMORANDUM

Upon ratification and execution by the City Council, this Memorandum of Understanding shall become effective on July 1, 2009 for sworn and non-sworn City employees on the active payroll. It shall remain in full force and effect until June 30, 2013.

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This memorandum of understanding shall automatically be renewed on the same terms and conditions for consecutive one-year periods thereafter unless no earlier than one hundred and twenty (120) days and no later than ninety (90) days prior to the expiration of this agreement, or any extension thereof, either party shall give written notice to the other party of its intent to terminate or modify the agreement.

8.0. WORKDAYS AND HOURS

8.0.1 WORKDAYS AND HOURS

Due to the seven (7) days per week, twenty-four (24) hours per day operation of the Police Department, working hours for employee classifications appropriate to this unit will vary. Each employee shall be scheduled to work on a regular shift, and each employee shall have regular starting and quitting times.

The workday for employee classifications appropriate to this unit shall consist of one of the following work schedules. For some employee classifications, workdays shall be consecutive

Comment: This section should be deleted?

Deleted: ~~##~~ **EFFECTIVE DATE AND MAINTENANCE OF BENEFITS**

¶ Unless otherwise specified hereinabove, all changes to the M.O.U. shall be effective with the pay period that includes January 1, 2008.¶

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**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
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unless split by a holiday. For other employee classifications, workdays shall be consecutive, inclusive of holidays.

8.0.1.1 FIVE-FORTY SCHEDULE

The work week for some classifications appropriate to this unit shall consist of five (5), eight (8) hour days within a seven (7) day cycle. The eight (8) hour workday within a twenty-four (24) hour period shall be inclusive of rest periods, but exclusive of the lunch period which shall not be paid time, except as may be otherwise noted in Section 9.0.1.

Personnel assigned to the 5/40 schedule may include those in the following classifications:

- Dispatchers
- Community Service Officer (assigned to alarm program)
- Jailers
- Property Evidence Clerk

Comment: Clarification needed regarding CSO in the 5/40 and 4/10 schedules (see below—Section 8.0.1.2)

8.0.1.2 FOUR-FORTY SCHEDULE

The work week for some classifications appropriate to this unit shall consist of four (4) ten (10) hour days within a seven (7) day cycle. The ten (10) hour workday within a twenty-four (24) hour period shall be inclusive of rest periods, but exclusive of the lunch period which shall not be paid time, except as may be otherwise noted in Section 9.0.1.

Personnel assigned to the 4/40 schedule may include in the following classifications:

- Police Officers (assigned to Detective Bureau, Patrol, Motorcycles or School Resource Officer*)
- Police Sergeant (assigned to Detective Bureau, Administration, Training or Patrol)
- Dispatcher
- Court Officer
- Community Services Officer (assigned to the alarm program)
- Jailer

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* School Resource Officer shall work a 4/10 schedule, however their four (4) day work schedule shall meet the needs of the school they are serving and as a result, upon direction from their supervisor, a School Resource Officer's weekday off may change on an as needed basis.

8.0.1.3 NINE-EIGHTY SCHEDULE

The workweek for some classifications appropriate to this unit shall consist of nine (9) workdays with eight (8), nine (9) hour workdays and one (1), eight hour workday within a fourteen (14) day cycle. The workday, either eight (8) or nine (9) hours, within a twenty-four (24) hour period

MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND THE POLICE ASSOCIATION OF COVINA

shall be inclusive of rest periods, but exclusive of the lunch period which shall not be paid time except as may be otherwise noted in Section 9.0.1.

Personnel assigned to the 9/80 schedule may include those in the following classifications:

- Community Service Officers (assigned to Patrol)
- Community Services Specialist
- Parking Enforcement Officer
- Jailer
- Dispatcher

8.0.1.4 HYBRID SCHEDULING

At the request of the Association, the parties agree to meet and confer during the term of the agreement on hybrid scheduling. Personnel assigned to the 3/12 schedule may include those in the following classifications:

- Police Officers assigned to Patrol
- Police Sergeants assigned to Patrol
- Dispatchers
- Community Services Officer assigned to the Detective Bureau

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8.0.2 EXCEPTIONS

Except in case of emergency, extraordinary circumstances, special assignments or significant staffing vacancies other than those caused by scheduled vacations, approved compensatory time-off and workers' compensation related injury on duty time-off or fiscal budget appropriation limitations, the current departmental policy pertaining to the 10 hour day, 4 day week or 12 hour, 3 day week for the Police Officers and Sergeants assigned to patrol and motorcycles shall not be changed for the term of this memorandum of understanding.

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In the case of civilian personnel covered by this memorandum of understanding, only the Court Officer and Police Dispatchers will also be scheduled on the 4/40 plan, subject to the same exceptions provided by the preceding paragraph.

The City agrees to provide reasonable advance written notice and to meet and confer, as required by law, with the representatives of the Police Association of Covina with specific regard to any contemplated or proposed change in scheduling as detailed herein, as may be initiated by fiscal budget appropriation limitations occurring during the term of this agreement.

Deleted: The Canine Unit will be staffed under the 4/40 plan provided that a minimum of two (2) dogs and handlers available and the exceptions noted in the first paragraph of this section are not in effect. If staffing falls below two (2), the Chief of Police may deviate from this plan in order to provide a proper level of service.¶

¶
The Canine Unit will be staffed under the 4/40 plan provided that a minimum of two (2) dogs and handlers are available and the exceptions noted in the first paragraph of this section are not in effect. If staffing falls below two (2), the Chief of Police may deviate from this plan in order to provide a proper level of service.¶

8.0.3 ASSIGNMENT OF FLEXIBLE HOURS

Employees in all assignments may be assigned flexible working hours upon one-week written notice provided that any employee may voluntarily waive the one-week notice requirement; and

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further provided that the notice requirement may be waived by the Chief of Police in the event of an emergency (such as, but not limited to, natural calamity, civil disorder, community need, or severe staffing shortages where sufficient officers cannot be brought in on overtime). This does not apply to employees assigned to the Special Enforcement Team whose hours must remain flexible.

8.0.4 SHIFT SELECTION

The probationary employee's Division Commander will select the employee's shift from those that are available, based upon documented needs of the department and or that probationary employee. Selection will then be based on seniority.

Deleted: After tenured employees have selected their shift, t

9.0. LUNCH AND REST PERIODS

9.0.1 LUNCH (MEALTIME) PERIODS

Persons employed in assignments which include a paid meal break (including but not limited to, Dispatchers, Jailers, Community Services Officers assigned to patrol duties and Detective Bureau, Police Officers, Police Sergeants and Detectives), shall receive no other additional compensation in lieu of an on duty or duty free lunch.

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9.0.2 REST PERIODS

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A rest period of fifteen (15) minutes shall be permitted for all employees, inclusive of those assigned to patrol and dispatching duties, during each half shift, which shall be scheduled by the City's department head or designated supervisor in accordance with the operating requirements of each employee's duties, and shall be considered on-duty time. The fifteen (15) minute break shall be the total time allowed and shall include travel time to and from the assigned work area.

Employees may not combine rest periods not may they integrate them with assigned lunch periods.

10.0. SALARY AND COMPENSATION

10.0.1 SALARY ADJUSTMENT AND RANGES

Effective July 1, 2010, Step F will be available to those PAC employees who have been with the City for seven (7) years, currently at Step E effective July 1, 2010 or one year at Step E.

Effective July 1, 2011, Step G will be available to those PAC employee's who have been with the City for nine (9) years and one year at Step F.

Deleted: Effective the pay period that includes January 1, 2008, the following unit classifications are increased by 6.00% as reflected in the table below:

¶
¶
TITLE

... [2]

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
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Effective July 1, 2012, Step H will be available to those PAC employee's who have been with the City for eleven (11) years and one year at Step G.

10.0.1.1 SALARY REOPENER

The City and PAC will meet to discuss any changes to salaries between March and April 2011. If no agreement is reached by either party, there shall be no change(s) for the duration of the MOU.

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FINANCIAL CRISIS LANGUAGE

The City honors its commitments and contractual obligations with its employees. In difficult and uncertain economic times, the City appreciates the input and collaborative problem solving efforts of the Police Association of Covina. In the event of a financial City crisis, the City shall request that the Union agree to meet and confer over potential solutions for the remaining term of the agreement. The City agrees to provide the Union all financial records available to demonstrate its concerns. In the event the parties do not meet and confer, or in the event no solution is reached between the parties, the City reserves the right under this M.O.U., Sections 4.0.3 and 13.0, Personnel Rule XVI and Covina Municipal Code 2.36.130 to exercise work force reductions, i.e. layoffs and or demotions. However, pursuant to Section 5.0.3 of this M.O.U., this memorandum cannot be modified except by mutual consent of the parties.

10.0.2 ADVANCEMENT THROUGH SALARY RANGE

10.0.2.1 NEW EMPLOYEES

The following salary plan of merit increases shall apply to all new employees.
upon initial employment

- Step B - upon six (6) months' successful completion of employment at Step A
- Step C - upon twelve (12) months' successful completion of employment at Step B
- Step D - upon twelve (12) months' successful completion of employment at Step C
- Step E - upon twelve (12) months' successful completion of employment at Step D

10.0.2.2 PROMOTED EMPLOYEES

This section shall also apply to current employees who are promoted to a higher classification or demoted to a lower classification on or after January 1, 1997.

10.0.2.3 SALARY UPON PROMOTION

Such promoted employees shall receive an increase in base salary to the greater of "A" step of the salary range in the higher classification or five percent (5%) greater than the combination of

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base salary, education and vocation incentive pay, and assignment pay, if applicable, not to exceed "E" step.

10.0.3 OVERTIME, COURT STANBY, AND CTO

10.0.3.1 OVERTIME

1. For safety and non-safety employees all overtime in excess of 40 hours per week or in excess of a normally assigned daily shift is to be compensated at the rate of time and one-half (T1/2X).
2. Overtime exception - Except as provided by the Fair Labor Standards Act, the following items shall be paid at Straight Time (1X) for actual time on duty:
 - A. Police Chief approved P.O.S.T. mandated and optional training;
 - B. Range/Shoot Time;
 - C. Staff meetings;
 - D. Recruit Oral Panels.
3. All employees working overtime shall have received the prior authorization from the department head or the designated supervisor.

Deleted: Training Boards

10.0.3.2 COURT STANDBY TIME

When court standby was initiated, employees were required to remain at home in order to be able to respond to court within the designated time. With the implementation of the Fair Labor Standards Act, concern was raised over whether this practice restricted the employee as to what he could do or where he could go during the standby time, thereby constituting "hours worked." In order to revert to the former practices of implementing standby time employees are no longer required to remain at home but must be able to respond to court within 30-45 minutes of being called. Employees are not restricted to what they can do or where they can go during this standby time. Upon reporting for duty, an employee is no longer eligible to be compensated for court standby time. Employees on standby will be compensated as follows:

Effective February 1, 1995, three (3) hours standby allowed for both morning and afternoon sessions at straight time rate if employee is kept on call; if an employee appears in court in response to a subpoena, he is compensated at time and one-half and is given a minimum of two hours or actual time if greater.

Effective June 1, 1997, two hours at straight time will be paid to employees who are released from court standby with less than 24 hours notice. Acceptable notification will include person to person contact, page and/or message left at employee's residence or other telephone number on file with department. Departmental documentation of failed attempts to contact the employee more than 24 hours in advance will be accepted as notification.

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When an employee is subpoenaed or otherwise lawfully required to appear, during off-duty hours, in court, at deposition or before any board or judiciary in the performance of the employee's duties, the employee will be compensated, at a minimum of three (3) hours, at time and one half from the required time of appearance. In the event the employee's work shift starts prior to the completion of the three (3) hours, at the onset of the employee's shift, the employee will cease to be compensated at time and one half and shall be compensated at straight time.

10.0.3.3 COMPENSATORY TIME OFF

Compensatory time off may be given in lieu of paid overtime if agreed to by both the department head (or designee) and the employee. Compensatory time off accrual shall be limited to 40 hours and administered in accordance with the Fair Labor Standards Act. Compensatory time off will be granted at the rate of time and one-half (T1/2X).

Deleted: Canine assigned Police Officers shall also receive CTO, including maintenance time, in accordance with these provisions.

10.0.3.4 HOLIDAY OVERTIME - SEE "FIXED AND FLOATING HOLIDAYS."

10.0.3.5 COMPENSATION FOR OFF DUTY CALL BACKS

Unit employees called back from home for off duty overtime shall receive a minimum of two hours time and one half pay. Such call back requests shall be approved by the on duty supervisor prior to an employee being called back. Timekeeping for the two hour minimum shall begin upon reporting to the work site or crime scene, whichever is applicable. Employees called back to work due to their own errors, omissions or negligence shall not be subject to the minimum two hours of overtime pay, however may be subject to an overtime payment equal to the time actually worked.

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10.0.4 ACTING APPOINTMENT COMPENSATION

When a full-time, budgeted position becomes vacant as a result of either a permanent separation or the extended absence of an employee, another employee may be assigned by the Police Chief to work in a higher classification on an acting temporary basis upon the approval of the City Manager. When such employee(s) has completed five (5) consecutive acting workdays in any calendar month, such employee shall be entitled to acting pay beginning on the sixth (6) workday.

Such acting pay shall be paid at a minimum of five (5%) above the employer's regular base pay, and applicable incentive pays or at "A" step of the assigned salary range for the class, whichever is greater.

10.0.5 SPECIAL ASSIGNMENT COMPENSATION

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10.0.5.1 POLICE OFFICERS AND POLICE SERGEANTS

Personnel regularly assigned by the Chief of Police to the following assignments shall be paid the following percentages of base salary:

1. Detective - ~~Seven and one-half percent (7.5%)~~
2. ~~Administrative Sergeant - Seven and one-half percent (7.5%)~~
3. Motorcycle/Traffic Officer - ~~Five percent (5%)~~
4. Training Sergeant - ~~Seven and one-half percent (7.5%)~~
5. Detective Sergeant - ~~Seven and one-half percent (7.5%)~~
6. Senior Officer - ~~Five percent (5%)~~
7. School Resource Officer - ~~Five percent (5%)~~
8. Field Training Officer - ~~Five percent (5%)~~

Personnel designated as Senior Officer shall not be eligible for additional special assignment compensation.

Effective with the first full pay period following January 1, 2003, the Senior Officer program shall be eliminated and all present employees receiving Senior Officer pay shall be grandfathered in.

All present employees receiving Senior Officer Pay shall continue to receive such pay and uniform designation, under the present terms and conditions of the MOUS, until the employee separates from City employment.

Safety personnel receiving Special Assignment Compensation as a School Resource Officer will work a 3/12 or 4/10 shift when school is not in session (i.e., Christmas or Summer breaks).

Deleted: In recognition of the implementation of the Senior Officer Program, effective March 13, 1995, as outlined in Exhibit A, compensation for new personnel assigned to the Detective Bureau will be reduced from 10% to 5%. Personnel currently assigned to the Detective Bureau will retain their current 10% assignment pay as long as they remain in that assignment. Thereafter p

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Deleted: <#>Special Enforcement Team Members - Five Percent (5%)¶

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Deleted: Effective with the first full pay period following January 1, 2004, special assignment pay shall be increased to seven and one-half percent (7.5%) for the classifications of Detective, Detective Sergeant and Administrative Sergeant.

10.0.5.2 POLICE DISPATCHERS

Police Dispatchers may be assigned by the Chief of Police to any of the three (3) Senior Dispatcher assignments. Assignment pay for Senior Dispatcher shall be five (5%) of base salary. The City reserves the right to deviate from the three (3) assignments as the needs of the service require.

10.0.5.3 BILINGUAL PAY

Employee classifications appropriate to this unit may receive \$100.00 per month lump sum payment for possessing the ability to speak and understand a second language. The City, in conjunction with a local high school, community college, college or other source, will develop an appropriate examination and certify such employee(s) language abilities. Employees are eligible to apply for bilingual pay six (6) months after hire date.

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The City reserves the right, as the needs of the City dictate, to certify as many employees as it sees fit and also reserves the right to determine from what departments and classifications these employees are selected as best suits the City's needs.

10.0.6 EDUCATION AND VOCATION INCENTIVE PAY

10.0.6.1 AVAILABILITY

The Education and Vocation Incentive Program shall be available to sworn Police personnel who have successfully completed the appropriate probationary period. Completion of the probationary period is not required for present employees who have successfully completed probation, or for employees who undergo promotional probation.

The purpose of the program is to compensate personnel who have attained desired educational goals/and or who have attained an aggregate of experience and training as verified through the award of Peace Officer Standards and Training certificates.

10.0.6.2 AMOUNTS AND STANDARDS

Employees are requested to notify their supervisor, in writing, within thirty (30) days of knowledge of eligibility for Education and Vocation Incentive Pay. Education and Vocation Incentive Pay in the amounts set forth, shall be awarded to an employee effective the date during employment with the City of Covina on which the certificate/degree was issued:

1. Police Officer

A. An amount equal to two percent (2%) over base salary for:

- Attainment of POST Intermediate Certificate; and
- A most recent performance evaluation rating which shows that overall performance meets or exceeds requirements.

B. An amount equal to four percent (4%) over base salary for:

- Possessing an Associate of Arts degree or successfully completing job related classes at a college or university which would qualify as an A.A. degree; and
- A most recent performance evaluation rating which shows that overall performance meets or exceeds requirements;

or

- Attainment of POST Advanced certificate; and

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- A most recent performance evaluation rating which shows that overall performance meets or exceeds requirements.

C. An amount equal to six percent (6%) over base salary for:

- Possessing an Associate of Art degree or successfully completing job related classes at a college or university which would qualify as an A.A. degree; and
- Attainment of POST Intermediate Certificate; and
- A most recent performance evaluation rating which show that overall performance meets or exceeds requirements.

D. An amount equal to seven percent (7%) over base salary for:

- Possessing an Associate of Arts degree or successfully completing job related classes at a college or university which would qualify as an A.A. degree; and
- Attainment of POST Advanced Certificate; and
- A most recent performance evaluation rating which shows that overall performance evaluation rating which shows that overall performance meets or exceeds requirements.

E. An amount equal to eight percent (8%) over base salary for:

- Possessing a Baccalaureate degree in a job-related area; and
- A most recent performance evaluation rating which shows that overall performance meets or exceeds requirements.

F. An amount equal to nine percent (9%) over base salary for:

- Possessing a Baccalaureate degree in a job-related area; and
- Attainment of a POST Advanced Certificate; and
- A most recent performance evaluation rating which shows that overall performance meets or exceeds requirements.

2. Police Sergeant

A. An amount equal to two percent (2%) over base salary for:

- Possessing an Associate of Arts degree or successfully completing job related classes at a college or university which would qualify as an A.A. degree; and
- Attainment of a POST Supervisory Certificate; and
- A most recent performance evaluation rating which shows that overall performance meets or exceeds requirements.

B. An amount equal to four percent (4%) over base salary for:

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- Possessing a Baccalaureate degree in a job-related area; and
- A most recent performance evaluation rating which shows that overall performance meets or exceeds requirements.

C. An amount equal to five percent (5%) over base salary for:

- Possessing a Baccalaureate degree in a job-related area; and
- Attainment of a POST Supervisory Certificate; and
- A most recent performance evaluation rating which shows that overall performance meets or exceeds requirements.

D. An amount equal to eight percent (8%) over base salary for:

- Possessing a Graduate degree in a job-related area; and
- A most recent performance evaluation rating which shows that overall performance meets or exceeds requirements.

E. An amount equal to nine percent (9%) over base salary for:

- Possessing a Graduate degree in a job-related area; and
- Attainment of a POST Supervisory Certificate; and
- A most recent performance evaluation rating which shows that overall performance meets or exceeds requirements.

10.0.6.3 TREATMENT OF EDUCATION AND VOCATION INCENTIVE PAY

Education and Vocation Incentive pay amounts shall be paid as part of the Police Officer's normal salary and shall be treated as salary for purposes of deductions, such as retirement, income tax, and the like.

10.0.6.4 SATISFACTION REQUIREMENTS

Education and Vocation Incentive pay shall not be automatic. Qualifications, certifications and ratings, provided herein shall be to the satisfaction of the Chief of Police.

10.0.6.5 ELIGIBLE DEGREES

The supplemental pay program is amended such that the AA, BA and Graduate degrees can be obtained in a non-job related degree area and remain eligible for supplemental pay under these program guidelines.

Eligible job related degree areas will include the following:

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1. criminal justice/safety
2. police science
3. business administration and related business majors
4. public administration
5. political science
6. management
7. psychology
8. sociology
9. law
10. Any other degree area pre-approved in writing by the Police Chief and the Personnel Director before degree course work is begun.

10.0.6.6 GRANDFATHERED EMPLOYEES

Those employees of record as of December 31, 1987, and currently receiving supplemental pay for their current degree achieved will be grandfathered. However, to receive supplemental pay at a higher level of remuneration for a higher degree achieved, such degree shall be among those listed under subsection 5 herein.

10.0.7 FIELD TRAINING OFFICER PROGRAM, ASSIGNMENTS, AND RECOGNITION OF SENIORITY

Dependent and contingent upon budget appropriations approved by the City Council, the City will utilize the Field Training Officer Program. It is understood that the program will incorporate these following items affecting the involved employees:

1. The Chief of Police will have the right to select any officer not on probation to serve as a Field Training Officer.
2. An officer so selected will receive additional compensation as noted in Article 10 of this M.O.U.
3. The Chief of Police will balance the assignments covering every watch of which there are three (3).
4. Seniority will be utilized per the Field Training Officer's sworn service time with the department as regards selection of watches and days off.
5. It is understood that the needs of the Department must have priority over days-off and watch assignments in order to accomplish the raining needs.

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11.0. HOLIDAYS AND LEAVES OF ABSENCE

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11.0.1 FIXED AND FLOATING HOLIDAYS

The amount of leave time granted to an employee not assigned to shift work for fixed and floating holidays is dependent on the employee's current assignment (CSO, Property Evidence, Court Officer, Sergeants not assigned to the Patrol Division and Sworn employees assigned to the Detective Bureau). Employees on a 5/40 work schedule receive twenty-four (24) hours, employees on a 9/80 work schedule receive twenty-seven (27) hours, and employees on a 4/10 work schedule receive thirty (30) hours of floating holiday leave. There shall be no carry over permitted. Such floating holidays may be used only at such time after the employee has successfully completed probation or six (6) months of service.

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11.0.1.1 HOLIDAYS DEFINED

For the classifications listed under the "Recognition," section herein, the following thirteen (13) eight (8) hour days shall be established as holidays

1. New Year's Day
2. Martin Luther King Jr. Day
3. Lincoln's Birthday*
4. Third Monday in February, (President's Day)
5. Last Monday in May, (Memorial Day)
6. July Fourth, (Independence Day)
7. First Monday of September, (Labor Day)
8. Second Monday of October, (Columbus Day)*
9. November 11, (Veteran's Day)
10. Thanksgiving Day
11. Friday following Thanksgiving
12. Christmas Day
13. One additional floating holiday.*

* SEE "FLOATING HOLIDAYS" BELOW

Deleted: All full-time employees shall accrue eight (8) hours of holiday credit for each fixed and floating holiday defined in Article 11. For each holiday taken on a regularly scheduled work day, a deduction shall be made on an hour-for-four basis from vacation or compensatory time off balances for time in excess of the eight (8) hours of holiday time. With prior authorization from the department head or designated supervisor the employee may work additional hours within the same week to account for the necessary time.¶

11.0.1.2 COMPENSATION IN LIEU OF FIXED HOLIDAYS

Compensation in lieu of fixed holidays for shift employees is as follows:

1. In lieu of fixed holidays, shift employees shall be compensated with thirteen (13) hours per month holiday pay at their regular rate of pay.
2. Shift employees working a designated holiday will be compensated at their regular rate of pay.
3. A shift employee called back to work on a holiday shall be compensated at time and one-half (1 ½) for all hours worked.

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4. Shift employees assigned to non-shift duty shall have the annual floating holiday hours for non-shift employees (twenty-four hours) based upon the number of months remaining in the calendar year.
5. For purposes of payroll, when a PAC employee is in a leave-without-pay status, or separates from City service, payment of the 13 hour Holiday Pay provision shall be prorated, and paid at straight time according to the percentage of paid hours that the employee worked for that month.

Compensation in lieu of fixed holidays for non-shift employees is as follows: (new section)

1. Non-shift employees are advanced twenty-four (24) hours of floating holiday pay in January of each year based upon a full year of employment; floating holidays are accrued at two (2) hours per month.
2. If a non-shift employee separates from City service and that employee has utilized more floating holiday time than has been accrued, the time will be deducted from the employee's final paycheck.
3. If a non-shift employee is assigned to shift duty and that employee has utilized more floating holiday time than has been accrued, the time will be deducted from the employee's next paycheck.

Non-shift, safety non-patrol employees are given a day off with regular pay for each designated holiday.

11.0.1.3 FLOATING HOLIDAYS

For sworn officers assigned to the Detective bureau, for Community Services Specialist, Court Officer, Parking Enforcement Officer, and Property Evidence Clerk, Lincoln's Birthday, and Columbus Day, as designated above (*), and a third floating holiday, may be used as floating holidays without restriction as to purpose or incremental use within the calendar year. Employees assigned to Patrol, Communications, and other shift employees will be compensated for this third floating holiday in November. There shall be no carry over permitted. The floating holidays shall accrue to permanent employees on January 1 of each year, except as noted herein. It is noted that the Admissions Day holiday previously enjoyed is deleted in favor of the Friday following Thanksgiving.

The classifications of Community Service Officer, Dispatcher, Jailer, Police Sergeant, Police Officer and Police Recruit shall enjoy the thirteen (13) eight (8) hour holidays enumerated in section 11.0.1.1, either the day-off or paid.

Employees shall receive prior written permission from the employee's supervisor when requesting floating holidays. Such request may be granted after due consideration of the

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employee's needs, however, department service and staffing levels will have primary weight in the decision.

Floating holidays may also be used in emergency and other unforeseen circumstances. In this event the employee shall notify the Department Head or department head's designee prior to the time set for the beginning of the shift of his/her reporting status.

11.0.1.4 HOLIDAY ON SUNDAY

When a holiday falls on a Sunday, the following Monday shall be observed in lieu thereof. When a holiday falls on a Saturday, the preceding Friday shall be observed in lieu thereof.

11.0.1.5 NON-SHIFT EMPLOYEE REQUIRED TO WORK A HOLIDAY

If a non-shift employee is required to work on any of the above holidays, he/she may be granted a holiday on some other day during the calendar year at such time as the department head allows the employee's absence in accordance with the department work program; or he/she may be granted overtime pay.

If such worked holiday is not restored by conclusion of the calendar year the employee will be paid in lieu thereof at once and one-half times their regular hourly pay rate.

11.0.1.6 ACCRUAL OF FLOATING HOLIDAYS - NEW EMPLOYEES

Effective January 1, 1988 and applicable to all new employees hired on or after January 1, 1988, floating holidays shall accrue to such employees only upon successful completion of six (6) months of continuous employment.

11.0.2 SICK LEAVE, FAMILY SICK, BEREAVEMENT LEAVE

11.0.2.1 EARNING AND ACCUMULATION OF SICK LEAVE

1. Employees hired on or before December 31, 1990:
All employees hired to a position classification covered by this MOU as on or before December 31, 1990, shall receive twelve (12) eight (8) hour days per year paid sick leave with unlimited accumulation in accordance with the Personnel Rules and Regulations of the City of Covina concerning sick leave. The earning of sick leave is prorated at the rate of one (1) eight (8) hour day per complete month worked.
2. Employees hired on or after January 1, 1991:

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All employees hired into a position classification covered by this MOU on or after January 1, 1991, shall receive twelve (12) eight (8) hour days per complete year worked. The earning of such sick leave is prorated at the rate of one (1) eight (8) hour day per complete month worked. However, these employees are limited to an accumulation limit of one hundred and twenty (120) eight (8) hour days and thereafter all excess leave earned and unused will be void with no compensation due the employee.

3. Notwithstanding paragraphs 1 and 2 above, effective September 7, 2010, all PAC employees shall accrue sick leave of ten (10) work hours per month instead of eight (8) hours per month. Sick leave used shall be deducted from the employee's accrued leave balance on an hour-for-hour basis.

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11.0.2.2 PAY OFF OF ACCUMULATED SICK LEAVE UPON TERMINATION OF EMPLOYMENT

1. Employees hired on or before December 31, 1990:
Upon termination of employment, fifty percent (50%) of accumulated sick leave shall be compensated to the employee at his or her base hourly rate of pay unless otherwise provided by State Law. For example, an employee with 200 accumulated days would receive 50% of the 200-day maximum, or 100 days.

This benefit to be forfeited in any individual case of disciplinary termination.

2. Employees hired on or after January 1, 1991:
Upon termination of employment, fifty percent (50%) of accumulated sick leave, up to a maximum of 120 days, shall be compensated to the employee at his or her base hourly rate of pay unless otherwise provided by State Law. For example, an employee with 120 accumulated days would receive 50% of the 120 day maximum, or 60 days.

This benefit to be forfeited in any individual case of disciplinary termination.

11.0.2.3 USE OF SICK LEAVE EARNED

1. Employee's need: The employees covered by this memorandum of understanding may use this earned sick leave for the following purposes:
- A. In case of the employee's necessity and actual sickness or disability.
 - B. In the case of an employee's need to receive preventive medical or dental examinations or services from a licensed health-care practitioner.
2. Employee's family's need: In the case where an employee is required to be absent to provide temporary assistance in a situation where injuries or illness, sick and non-sick preventative illness appointments with licensed health care professionals for members of

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the employee's immediate family residing in the employee's household/domicile (father, mother, brother, sister, spouse, children, step-children, grandmother, grandfather, registered domestic partner) at the time of the requested use and which requires the care and attention of the employees.

3. For death in family: Up to three (3) days (on each separated occasion) in the even of death to a member of the employee's immediate family (father, mother, brother, sister, spouse, children, step-children, grandmother, grandfather, in-laws, registered domestic partners). An additional two (2) days paid sick leave may be granted by the Chief of Police if the funeral location is five hundred (500) miles or more (one-way) away from the City of Covina.
4. Family Medical Leave Act: Employee may use sick leave for family purposes that meet the guidelines of serious medical condition under the FMLA/CFRA. Employee shall request such leave in accordance the City FMLA policy.
5. Each calendar year, an employee can convert one (1) shift per year of sick leave for household or personal emergencies.

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11.0.3 VACATION LEAVE

11.0.3.1 ADMINISTRATION

Vacation leave will be administered in accordance with the City of Covina Personnel Rules and Regulations as set forth herein below:

All employees in the competitive service shall be entitled to annual vacation leave with pay except the following:

1. Employees who have served less than six (6) months in the service of the City. However, vacation credits for the time may be granted to each such employee who later receives a permanent appointment.
2. Employees who work on a provisional basis and all part-time or hourly employees.

Employees being rehired within one (1) year of separation from City employment shall be allowed to continue to accrue vacation leave at their previous rate.

The time during a calendar year at which an employee may take his vacation shall be determined by the department head with due regard for the wishes of the employee and particular regard for the needs of the service. If the requirements of the service are such that an employee must defer part of all of his annual vacation in a particular calendar year, the appointing authority may permit the employee to take such deferred vacation during the following calendar year.

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For the purposes of computing vacation leave, Saturday, Sunday and official holidays will not be counted as work days, except for those working rotating shifts, whose normal work days may be irregular.

In the event one or more municipal holidays fall within an annual vacation leave, such holidays shall not be charged as vacation leave, and the vacation leave shall be extended accordingly.

Each Division Commander shall schedule vacations for their respective Divisions.

Vacations are to be selected and established on the basis of seniority or service according to rank. Sworn employees selection lists are determined by hire as a Police Officer or promotion date irrespective of the length of service in a particular division or assignment.

Division Commanders will submit a completed vacation schedule to the Chief of Police by December 31 of each year, covering a twelve (12) month period beginning January 1 of the following year.

The vacation schedule will insure that:

1. Not more than two (2) Police Officers assigned to the patrol division are on vacation at the same time.
2. Not more than two (2) Detectives assigned to the Detective Division are on vacation at the same time.
3. Only one (1) Jailer, one (1) Dispatcher, one (1) Records Clerk, one (1) Motor Officer, one (1) Patrol Supervisor, one (1) Detective Supervisor and one (1) School Resource Officer may take vacation at the same time.

The Patrol Division Commander may authorize more than two (2) Police Officers to be on vacation from the Patrol Division at the same time if the best interests of the Division are not adversely affected. The Chief of Police may authorize exceeding any of the above limits upon special request and upon a finding of unusual circumstances and that exceeding the limits is in the best interest of the department.

1. An employee who is displaced from the vacation schedule by a senior employee, may, during the first twenty (20) days following the displacement make another vacation selection.
 - a. Of any open vacation period, or
 - b. By consensus with other employees, or
 - c. By displacing a junior employee on the vacation schedule.

An employee displaced by this option, may make another vacation selection, following the same procedure authorized for an employee displaced by a reassigned employee.

Any changes in the finalized vacation schedule caused by conflicts of reassigned employees will be submitted in writing to the Chief of Police for updating the master vacation schedule.

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11.0.3.2 VACATION EARNING SCHEDULE-NON-SWORN

For those non-sworn employees covered by this MOU as of June 1, 1997, the time allowed annually upon completion of the specified year of service:

1-4 Years Complete	96 hours	Accrued at 8.00 hours per month
5-9 Years Complete	144 hours	Accrued at 12.00 hours per month
10-14 Years Complete	168 hours	Accrued at 14.00 hours per month
15-20 Years Complete	200 hours	Accrued at 16.67 hours per month
21 or more years	208 hours	Accrued at 17.33 hours per month

11.0.3.3 VACATION EARNING SCHEDULE-SWORN

For sworn employees covered by this MOU as of June 1, 1997, the time allowed annually upon completion of the specified year of service:

1-4 Years Complete	104 hours	Accrued at 8.67 hours per month
5-9 Years Complete	152 hours	Accrued at 12.67 hours per month
10-14 Years Complete	168 hours	Accrued at 14.00 hours per month
15-20 Years Complete	200 hours	Accrued at 16.67 hours per month
21 or more years	208 hours	Accrued at 17.33 hours per month

11.0.3.4 VACATION SCHEDULING

The Chief of Police may allow more than the designated number of persons to take vacation during a vacation period when staffing levels, as determined by the Chief of Police, so allow.

The time during a calendar year at which an employee may take his/her vacation shall be determined by the department head with due regard for the wishes of the employee and primary regard for the needs of service.

If the requirements of the service are such that an employee must defer part of or all of his/her annual vacation in a particular calendar year, the Chief of Police may permit the employee to take such deferred vacation during the following calendar year.

11.0.3.5 EMERGENCIES

In the event of an emergency situation, such as but not limited to natural calamity, civil disorder, or a severe shortage in staffing levels where sufficient officers cannot be brought in on overtime, the Chief of Police may cancel or postpone an employee's scheduled vacation.

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11.0.3.6 VACATION REQUESTS

Each employee shall designate their "primary" vacation request at the beginning of each calendar year by seniority. Any employee may take additional vacation time during the year provided it does not conflict with another employee's "primary" vacation. No employee shall be allowed to take more than five (5) consecutive weeks' vacation at any one time except by the written permission of the Chief of Police. Vacation selection shall be administered in accordance with this MOU.

11.0.3.7 VACATION RESTRICTIONS BY CLASSIFICATION

The following number of employees in their respective classifications or assignments may be allowed on vacation during any one vacation period. Vacation time shall not be unreasonably, capriciously or arbitrarily withheld.

Detective Sergeant (1)
Dispatcher (1)
Jailer (1)
Detective (2)
Patrol Sergeant (1)
Patrol Officer (2)
Motorcycle Officer (1)
Community Services Specialist (1)
Community Services Officer (1)
Court Officer
School Resource Officer (1)

Deleted: Canine Officer (1)

Only one (1) Police Officer at a time that is assigned to the Burglary Detail, Special Enforcement Team, or the Crimes Person Detail shall be allowed on vacation at the same time.

Deleted: Narcotic Unit

11.0.3.8 ACCUMULATION AND PAYOFF

1. ACCUMULATION LIMITATION

Accumulation of earned vacation shall be allowed up to 400 hours. The determination of status as regards an employee staying within the accumulation limit will be made each March 15 with payment for said time to be on the first paycheck in April.

If the employee fails to utilize earned vacation over this limitation amount, the City will compensate the employee for all of said time at the straight time (1x) rate of base pay of the time to bring the accumulation level to the specified maximum.

2. PAY OFF PRIOR TO TERMINATION

With written consent of the City Manager, an employee may sell back to the City his or her accumulated vacation at the employee's straight time (1x) rate of base pay. The City

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Manager may approve payment of all, a portion of or none of said request depending upon available funds and anticipated workload of the individual employee as determined by the City.

3. PAY OFF UPON TERMINATION

Upon termination from the City's service, unused vacation time will be compensated for at the employee's current base hourly rate of pay.

11.0.4 MATERNITY LEAVE

Employees shall be granted maternity sick leave in accordance with the City's sick leave program and the following provisions:

1. In all cases of pregnancy, the employee shall furnish the City a statement from her physician giving the anticipated date of delivery and the opinion of her physician of her ability to perform her normal work assignment. Such statement shall be furnished as soon as practical after a determination of pregnancy has been made.
2. A pregnant employee will be permitted to work as long as she is able to safely perform the duties of her position.
3. A pregnant employee shall be permitted to be absent and for the period during which, in the opinion of her attending physician and when necessary, the City physician, she is temporarily disabled due to pregnancy related conditions.
4. Within four (4) weeks after the termination of pregnancy, an employee shall provide the City with a written statement from her physician as to the date the employee shall be able to safely return to work. Failure to return to work on the date designated by her physician shall be deemed a voluntary resignation from her City employment unless the City agrees, in writing, to a later return date. Should the employee request, the City is required to grant leave of absence in accordance with the Family Medical Leave Act and the California Family Rights Act.
5. The City may, at its option and at City cost, require an independent medical opinion concerning the employee's ability to safely continue to perform her duties or safely return to work.
6. An employee disabled due to pregnancy related conditions and recovery shall be entitled to exhaust accumulated paid sick leave time and paid vacation time prior to being placed in an authorized leave of absence without pay status. In no event should such leave extend beyond 120 days. (GC 12945)
7. An employee disabled due to pregnancy related conditions and recovery therefrom shall accrue seniority and other benefits in the same manner as such benefits are accrued by any other disabled employee.

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11.0.5 FAMILY MEDICAL LEAVE

Employees shall be granted family care and medical leave in accordance with applicable federal and state law and City policy.

11.0.6 JURY DUTY

Employees shall be granted leave with pay for fifteen days of jury duty service.

Upon being excused from jury service for any day, an employee shall immediately contact the department head or other supervisor for assignment for the remainder of his/her regular workday. Paid jury duty leave will be prorated in half-day increments based on employee's regular scheduled work hours.

11.0.6.1 NON-WORK RELATED APPEARANCE

In the case where an action does not pertain to a job-related matter, leave without pay shall be granted for an appearance before a court, legislative committee, judicial or quasi-judicial body as a witness in response to a subpoena or other order by proper authority compelling his or her attendance under penalty prescribed by law. The employee may also seek approval of use of his/her earned vacation, floating holiday or other applicable leave to cover the required time off.

12.0. OTHER EMPLOYEE BENEFITS

12.0.1 HEALTH AND OPTIONAL BENEFIT PROGRAMS

12.0.1.1 HEALTH

Effective April 1, 1995, the City shall contribute \$16 per month per eligible employee toward the approved health care plan of the employee's choice under PEHMCA. Every full-time active employee must be covered by a health care plan approved by the City.

Effective the first full pay period following January 1, 2004, the PEMCHA contribution shall be increased to \$32.30 for all unit members.

Effective the first full pay period following January 1, 2005, the PEMCHA contribution shall be increased to \$48.40 for all unit members.

Effective the first full pay period following January 1, 2006, the PEMCHA contribution shall be increased to \$64.60 for all unit members.

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During the term of this agreement, the Union and the City shall explore alternatives to the present medical insurance program in the City's Benefits Committee.

The Association will agree to meet and confer during the term of the MOU as to replacing PEMCHA with comparable health insurance provided no changes will be implemented except upon mutual agreement between the PAC and the City.

12.0.1.2 OPTIONAL BENEFITS

Effective the first full pay period following January 1, 2006 the flex benefit shall be increased for all bargaining unit members toward the optional benefits plan as follows:

All Employees who opt out	\$575.00 per month
Employee	\$575.00 per month
Employee + 1	\$800.00 per month
Employee + 2 or more	\$800 per month

Effective December 1, 2009, \$800 per month will be provided to all PAC employees who participate in the City's health and/or medical insurance program.

Effective January 1, 2011, the benefit amount will increase to \$880 per month

Effective January 1, 2012, the benefit amount will increase to \$960 per month

Current employees opting out of the City's health plan may cash out the employees entire flex benefit amount but no more than \$800 per month. Effective September 8, 2010, new hires will cash out no more than \$400 per month.

The employee may receive these amounts in cash or may elect to use it for coverage for him/herself or his/her dependents for City approved benefit options, including but not limited to, dental insurance, supplemental life insurance or deferred compensation plan. Any monies received in cash will be considered as taxable income.

12.0.1.3 RETIREE BENEFITS

During the term of this agreement, the City shall contribute the required contribution, per retiree, under PEMCHA, for so long as the City is enrolled in the PERS Health Plan.

Effective December 31, 1996, the City shall contribute \$472 per month per *eligible retiree* toward optional benefit plan until the beginning of the month the retiree reaches Medicare age. Each *eligible retiree* may receive this amount in cash or may elect to use it for coverage for him/herself for city-approved benefit options. Upon reaching Medicare age, an eligible retiree shall receive \$31.20 per month toward optional benefits. Any monies received in cash will be considered as taxable income.

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Eligible retiree means any person who meets the retirement eligibility standards of the Public Employee's Retirement System and either was a current full time employee on or before December 31, 1996 or is a person who has ten (10) years of cumulative service as a full time employee with the City of Covina subsequent to December 31, 1996, who culminates his/her employment with the City of Covina. An employee retiring due to job-related disabilities shall be entitled to supplemental retiree benefits.

**12.0.1.4 RETIREE OPTIONAL BENEFIT PLAN AND MISCELLANEOUS PERS
RETIREMENT CONTRACT RE-OPENER**

The City and the Association agree to reopen the contract for the purpose of discussing the Retiree Optional Benefit Plan and enhanced PERS retirement options for Miscellaneous employees. The parties agree there is not implied commitment by the City to enhance the Optional Benefits Plan and PERS retirement plan by agreeing to this contract re-opener. The parties further agree that no changes will be implemented except upon mutual agreement between the PAC and the City.

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12.0.1.5 12.0.1.5 BENEFITS REOPENER

The City and PAC will meet to discuss any changes to benefits between March and April 2011. There will be no changes to benefits unless both parties.

12.0.2 EMPLOYEE RETIREMENT PROVISIONS

12.0.2.1 SAFETY EMPLOYEES

Maintain the present contract with Public Employee's Retirement System with the following provisions:

1. 1957 Survivors Benefit
2. 1959 Survivors Benefit (GC 21583)
 - A. Employee contributes \$2.00 per month.
 - B. Level IV coverage.
3. One year final compensation (single highest year) effective July 1, 1979 (GC 20042).
4. 2% at 50 retirement option, effective July 1, 1989
5. 3% at 50 retirement plan effective July 18, 2000
6. Unused and unpaid sick leave toward retirement credit purposes. (GC 20965)

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7. \$600 payment, Retired Death Benefit. (GC 21622)
8. Employees covered by this Memorandum of Understanding hired prior to January 1, 1987 shall receive the opportunity to buy Military Service Credit for retirement purposes in accordance with the Government Code, Section 21024.
9. Effective July 1, 1991, the City shall pay the Safety Employee's entire contribution not to exceed 9.0% to PERS. Such contribution to be deposited in the member's account.
10. Effective January 1, 2011, Human Resources will commence the two-tiered retirement system of 3%@55 for new sworn hires. Human Resources will send written communication to the PAC president advising him/her of the date of the change for the two-tiered retirement system. New sworn hires after January 1, 2011 will also contribute 3% of the 9% PERS member contribution effective the first pay period after the 3%@55 retirement is in effect.

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12.0.2.2 MISCELLANEOUS (NON-SAFETY) EMPLOYEES

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Present contract with Public Employees Retirement System "The 1/50 at age 60 Formula" (2% per year at age 55), with the following provisions:

1. One-half pay continuance (GC 21629)
2. 1957 Survivors Benefit
3. 1959 Survivors Benefit (GC 21583)
 - A. Employee contributes \$2.00 per month
 - B. Level IV coverage.
4. One year final compensation (single highest year) per (GC 20042)
5. Employees covered by this MOU shall receive the opportunity to buy military service credit for retirement purposes, in accordance with the Government Code, Section 21024.
6. The City will pay the entire employee's contribution not to exceed 7.0% to PERS. Such employee portion to be deposited in the employee member's account.
7. Maintain unused unpaid Sick Leave Credit toward retirement credit (GC 20965) for non-safety employees.
8. \$600 Retired employee death benefit (GC 21622).
9. 2.5% at 55 retirement plan effective April 21, 2010.

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10. Effective September 16, 2010, non-sworn PAC members will contribute 3% of the 8% PERS member contribution.

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12.0.3 SAFETY AND UNIFORM RELATED EQUIPMENT

The City agrees to supply all Police Officers and Police Sergeants safety equipment as required by law as well as certain uniform related equipment.

Following initial issue, all of the following items will be replaced on a "fair wear and tear" basis as determined by the appropriate supervisory evaluating authority of the Covina Police Department:

- Gun
- Holster
- Sam Brown Belt
- Baton
- Handcuffs
- Raincoats
- Rain Boots
- Cap Cover (Rain)
- Handcuff Case
- Baton Holder
- Cartridge Case
- Whistle
- Flashlight
- Ammunition
- Flashlight Batteries
- Flashlight Bulbs
- Body Armor
- OC spray
- OC spray holder
- Riot Helmets, with neck and face protectors
- Nametag
- Inner Belt
- All other items as mentioned in the Government Code, Section 50081.0

Deleted: The City shall maintain the biennial physical program for certain employees represented by the Recognized Employee Organization. Paid physical examinations for all sworn police personnel over thirty-five (35) years of age are authorized by the City.¶

¶ The complete examination includes chest x-rays, various laboratory checks, a full blood count (triglycerides and cholesterol), and an EKG with exercise. Subsequently such examination shall be every other year.¶

¶ Any non-industrially related problems detected by the examining physician must be corrected at the expense of the employee. Additional examinations or follow-ups as a result of any problem or defect discovered, will be at the expense of the employee.¶

¶ Where there are definite problems, a complete yearly physical examination may be authorized at City expense is recommended in writing by the department head and approved by the City Manager.

12.0.4 BIENNIAL PHYSICAL EXAM

Effective September 8, 2010, the biennial physical exam program will cease.

12.0.5 UNIFORM ALLOWANCE AND MAINTENANCE

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12.0.5.1 ELIGIBILITY AND AMOUNTS

Where and whenever the City requires an employee covered by this M.O.U. to wear a uniform, the City will provide the uniform and pay for its upkeep and replacement as noted herein below. The wearing of a uniform is solely a decision of the City. The employee will not wear the uniform except on duty, and to and from work.

Classifications represented by this Memorandum shall receive an annual clothing and maintenance allowance to be administered by the Police Department. The amount to be received is as follows:

1. Effective with the first full pay period following ratification of this MOU, all unit members shall receive six hundred seventy-five dollars uniform allowance (\$675).

It is also understood that sworn personnel assigned to plain clothes assignments may use uniform allowance for civilian attire used in the course of duty so long as the Chief of Police or his designee approves the type of civilian attire.

2. Effective with the first full pay period following August 1, 2006, all unit members shall receive the monthly payment of uniform allowance of fifty six dollars and twenty-five cents (56.25) per month.
3. Employees are not eligible for a clothing allowance unless they have completed twelve (12) months of employment with the City.

New employees completing twelve (12) months of employment, prior to August 1, 2006, shall begin receiving fifty six dollars and twenty-five cents (56.25) per month uniform allowance, effective the first full pay period following the completion of the twelve month period.

4. It is understood that non-sworn personnel may no longer be required to wear uniforms, depending on assignments, at the City's option. In such discontinued situations no clothing allowance will be provided.
5. Effective July 1, 1991, employees will no longer be required to submit receipts to receive their annual uniform allowance.

12.0.5.2 USUAL WEAR AND TEAR

Regarding "usual wear and tear" to uniforms, those uniforms damaged in the course of duty will be repaired or replaced at no cost to the employee, providing prior written consent for such services has been given by the Police Chief or his designee to the requesting employee.

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12.0.6 AUTO MILEAGE REIMBURSEMENT

When an employee is authorized by his/her supervisor to use his/her private vehicle to perform official City business, the employee will be compensated at the current IRS rate per mile allowance.

Employee's desiring to use their personal vehicles on authorized City business must provide the City's risk management office with evidence of personal automobile insurance coverage in such minimum limits as required by the State of California. Such evidence could include a letter from an employee's insurance agent or company or copy of such insurance policy face sheets identifying name, coverage dates, limits and vehicles coverage.

Such documents should be filed annually upon the employee's automobile insurance renewal.

12.0.7 LIFE INSURANCE

In addition to benefits provided in subsection 12.0.1.3, effective January 1, 2010, the City shall provide a \$100,000 Life Insurance policy for each sworn and non-sworn employee covered by this memorandum of understanding with the City paying the cost of the premium.

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12.0.8 LONG TERM DISABILITY

12.0.8.1 SWORN EMPLOYEES

In addition to benefits provided in subsection 12.0.1.3, effective no later than April 1, 1995, the City will contribute \$40 per sworn employee per month for Long Term Disability insurance. The City will provide the foregoing amount on behalf of all sworn employees to the PAC for administration of said LTD program.

On an annual basis, the Union shall provide the City proof of insurance and an invoice for cost of such insurance for all sworn employees.

12.0.8.2 NON-SWORN EMPLOYEES

In addition to benefits provided in Subsection 12.0.1.3, effective July 1, 1997, the City agrees to provide a Long Term Disability Policy at no cost to the non-sworn employees covered by this MOU. The policy shall be subject to the following conditions:

1. Policy Schedule Amount if sixty-six and two-thirds (66 2/3) percent of basic monthly earnings subject to a maximum monthly benefit paid of five thousand dollars (\$5000) per month. (Overtime pay, bonuses and other compensation not received as base wages or salary will not be included in Monthly Earnings.)

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2. The policy Qualifying Period shall be the greater of 30 consecutive calendar days or the length of accumulated sick leave.
3. The City shall retain the right to select the LTD insurance carrier and to change carriers as good business practice and economic necessity dictate.

12.0.9 WORKERS' COMPENSATION

The City shall provide Worker's Compensation in accordance with State Law and this MOU.

12.0.9.1 NON-SWORN, NON-POLICE EMPLOYEES

If an employee not subject to California Labor Code Section 4850 sustains a work-related injury or illness on the job and such injury or illness is recognized as qualifying for coverage by the self-insurance administrators, the employee shall be eligible to receive full base salary continuation for the initial period up to thirty (30) calendar days or until the employee returns to work, whichever is earlier. In addition, the City will maintain its contribution to benefits as provided for herein (retirement, health, dental life and LTD insurances). This provision shall apply only up through the first thirty (30) calendar days of absence from work for each separate injury or illness, including aggravations thereof.

During this initial 30-day period, vacation, sick, earned compensatory time off (CTO) and other leaves shall not be deducted from the absent employee's accruals. Vacation and sick leave shall also continue to accrue during this time. In order for the employee to receive the above pay and benefit continuation, he or she must remit all Workers' Compensation temporary disability checks to the City of Covina.

At the end of the aforementioned thirty-day period, and provided that it is available, sick leave shall be used to augment Workers' Compensation benefits so that the employee may receive up to full base salary during the disability. Sick leave shall be charged at a rate proportionate to the percentage of said employee's salary not covered by Workers' Compensation. As long as an employee is utilizing sick leave to insure full base salary, his or her City paid benefit contributions (as provided for herein) shall be continued. At no time shall an employee receive in excess of his or her regular salary and benefits. Furthermore, employees shall not receive merit salary increases nor accrue additional vacation, sick leave, floating holidays or any other leaves after the initial thirty calendar (30) day period until he or she returns to regular duty.

Upon depletion of accumulated sick leave, the City shall discontinue City paid benefits and supplement to Workers' Compensation payments. At this time, the employee is subject to Long Term Disability insurance benefits (claims shall be submitted to the carrier in accordance with said policy). With regards to the continuation of benefits after depletion of sick leave (health, dental and life insurances only), the employee shall have the option to select the continuation of said benefits at his or her own expense. The cost of said benefits may be paid directly by the employee or charged against accrued compensatory time off (CTO) and/or vacation leaves at a dollar rate equivalent to the employee's hourly base rate. (For example, an employee earns

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
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\$20.00 an hour base pay and the total cost of health, dental and life insurance to the City is \$250.00 per month. On a monthly basis, if the employee wishes to maintain benefit coverage, at his or her option, the employee may pay \$250.00 directly to the City or have 12.5 hours deducted from accrued CTO and/or vacation.) Upon depletion of CTO and vacation leaves, the employee shall have the option of continuing benefit coverage in accordance with Federal Law (COBRA continuation coverage).

12.0.9.2 SWORN POLICE EMPLOYEES

Base salary and benefit continuance for sworn police employees shall be in accordance with California Labor Code Section 4850.

13.0. LAYOFF PROCEDURE

Whenever, in the judgment of the City Council, a reduction in work force becomes necessary for any reason, the following steps in implementing layoffs, demotions or recall shall be followed:

13.0.1 PROCEDURE

Whenever a position is eliminated or abolished in a classification within the department, layoffs or demotions in lieu of layoffs will be in reverse order of classification seniority:

1. In the event of a tie in classification seniority by two or more employees, the order of seniority for such employees shall be based on departmental seniority.
2. In the event a tie still exists after reviewing departmental seniority, the order of seniority for these employees shall be established by the Police Chief after reviewing these employee's performance evaluations.

13.0.2 DEMOTION IN LIEU OF LAYOFF

An employee who is to be laid off may elect to be demoted in lieu of layoff to a lower paying classification within the department provided:

1. The employee has the skills and meets the qualifications of the lower paying classification, and
2. The operating requirements of the department are maintained.

Employees demoted in lieu of layoff shall be placed at the top of the seniority list of the lower classification and an employee with the least seniority in such classification shall be laid off or elect to be demoted to a lower paying classification within the department to the same provisions

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
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contained in paragraphs A and B until the lowest levels of classification and the most junior employee are reached. At such time, employees shall be laid off.

13.0.3 RECALL

Employees who are laid off or who have displaced other in lieu of layoff will be placed on a recall or re-employment list for two years, during which service time in the previous original position will be maintained but not accrued. The recall or re-employment list or lists may be extended for one (1) additional year by the City Manager or his designee.

If a vacancy or vacancies occur, current employees who have been demoted in lieu of layoff shall be recalled or re-employed to their former positions in order of seniority.

If, after restoring current employee or employees to their previous status, a vacancy or vacancies occur during the life of a recall or re-employment list, employees who have been laid off shall be re-called or re-employed to their former positions in order of seniority provided the employee notifies the department of the employee's intent to return to work within three (3) days of receipt of the written notice of a position opening. It shall be the employees' duty to provide the Personnel office and the department with a current address during the period of layoff. Failure to do so shall nullify the City's duty to recall or re-employ any such person.

Any employee on a re-employment list may be re-employed in a position with a lower maximum rate of pay, provided the person possesses the skills and qualifications for the position.

13.0.4 SENIORITY

As used herein, classification seniority means the total time served in a permanent and probationary status within the classification. Time served in other classifications within the City's competitive service shall not be counted for the purposes of layoff. Classification seniority and city-wide seniority shall be lost in the event of layoff for a period of more than two years, unless the list is extended an additional year by the City Manager or his designee.

14.0. GRIEVANCE PROCEDURE

Grievances shall be processed according to Rules XV of the City's Personnel Rules and Regulations, attached hereto as Exhibit B.

Effective January 1, 1988, an original hire, first time probationary employee employed in the classifications listed herein in Article 2, "Recognition" shall not have the right to use the grievance procedure in matters related to termination and/or release from the City's service, except as may be provided by the Public Safety Officers Procedural Bill of Rights Act to sworn employees.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
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The City and the Union agree to meet and confer during the term of the agreement to explore options to the present appeal process under the PAC Memorandum of Understanding and the City's Personnel Rules.

15.0. PROBATIONARY PERIOD – ONE YEAR

All employees hired by the City on or after January 1, 1988, shall be required to serve at least a one year probationary period, except for:

1. Police Recruits and entry-level Police Officers (Pre-Service) who are hired after Council ratification of this agreement, shall serve an eighteen (18) month probationary period after graduating from the Police Academy and being sworn in as a Police Officer, however employee step increases shall occur pursuant to City Policy.
2. Public Safety Dispatchers who are hired after Council ratification of this agreement, shall serve a twenty-four (24) month probationary period; employee step increases shall occur pursuant to City Policy.

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All promoted employee, such promotion occurring on or after January 1, 1988, shall be required to serve a one year probationary period.

Deleted: <#>: (12) months as a Call Taker and (12) months as a full Dispatcher, however employee step increases shall occur pursuant to City policy.¶

All original hires, first time City employees, hired after December 21, 1987, shall be eligible for association membership.

16.0. DISCONTINUANCE OF BONUS POINTS IN THE EXAMINATION PROCESS

Effective January 1, 1988 the City shall amend the Personnel Rules and Regulations Rule VII, Examinations, Section 6, page 12 and any ordinances or resolutions relating hereto so as to delete in its entirety paragraph two (2), with reference to the allowance of five (5) bonus points added to final examination scores of permanent City employees covered by this memorandum of understanding.

**17.0. DISCONTINUATION OF ANY AND ALL POLICIES AND PAST PRACTICES
RELATED TO TAKING CITY VEHICLES HOME**

Upon approval of the City Council at the April 5, 2005 meeting, the City and the Police Association of Covina (PAC) agree to the following.

Effective April 14, 2005, the City and the union agree that all of the policies and practices related to taking home City Vehicles by PAC employees will discontinue. It is understood that all future decisions related to taking home City Vehicles are reserved as a Management Right that may be altered as the needs of the Department dictate.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
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In lieu of this past practice and benefit that the sworn members of PAC had available to them prior to this agreement, the City agrees to a one-time auto allowance buy-out totaling \$96,000 to be distributed among 48 sworn PAC employees through a payroll check on April 14, 2005. Employees will be responsible for all of their applicable deductions. Auto allowance is not reportable compensation under CalPERS.

This one-time auto allowance buy-out totaling \$96,000 will be the full and complete City remuneration regarding past, present, or future discontinuation of take home City vehicle policies or procedures.

18.0. ASSOCIATION SECURITY AND BUSINESS

18.0.1 ASSOCIATION RELEASE TIME

The City shall provide 70 hours annually of on duty time beginning January 2, 1995 to the Association President or designated board member to perform their Association duties, including attendance at conventions, conferences, and seminars that are related to the employer-employee relationship between the Association and the City. Names of the eligible members shall be provided to the Chief of Police on February 2 and whenever there are any changes in eligible members.

The Association/Union President shall notify his/her Division or Department Head Supervisor in writing twenty-four (24) hours in advance that (1) he/she wishes to be released from the work site to conduct Association/Union business; (2) the time he/she wishes to be released; (3) the locations(s) where he/she intends to be; and (4) the time he/she intends to return to the work site.

If such Division or Department Head Supervisor determines that the requested time period will be disruptive to the mission of the City, such Division or Department Head shall inform the Association/Union President and the parties shall meet to set a mutually acceptable alternate time for the Association/Union President to be released from the work site.

18.0.2 PROFESSIONAL CONDUCT

In keeping with professional ideals and standards, the Association is prohibited from conducting or lending their Association name to any fund raising activities which are predicated on sales or donations from the general public, is such activities include incorporation or use of the City's name, or the department's name, as a supporter, or infers endorsement or affiliation with said activity or activities.

Further, use of City provided uniforms at such events is also not permitted. The intent is not to interfere with the Association's affairs so long as the Association and its members do not directly or indirectly lead the general public to believe that said activities are sponsored, endorsed or otherwise supported by the City of Covina.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
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This does not prohibit in any way employee organizations raising money from within their own membership or from parent organizations by assessment or other legal means.

At such time as city or department management may become aware of possible violations of this section, such violations shall be referred to the PAC, who shall make every reasonable effort to correct and/or resolve such violation(s).

18.0.3 INCORPORATION OF RESOLUTIONS 2783 AND 2784

Resolutions 2783 and 2784 adopted by City Council on March 16, 1970, establishing Rules and Regulations for Employer – Employee relations are hereby incorporated into memorandum of understanding.

These resolutions include matters and regulations governing dues check-off, access to work locations, use of City facilities, bulletin boards, availability of data and resolution of impasses.

19.0. NO STRIKE

It is agreed and understood that there will be no strike, work stoppage, slow-down, refusal or failure to fully and faithfully perform job functions and responsibilities, or other interference with the operations of the City by the Association or by its officers, agents, or members during the term of this Agreement, including compliance with the request of other labor organizations to engage in activity.

The Association recognizes the duty and obligations of its representatives to comply with the provisions of this Agreement and to make every effort toward inducing employees to do so. In the event of a strike, work stoppage, slow down, or other interference with the operation of the City or its agents by employees who are represented by the Association, the Association agrees in good faith to take all necessary steps to cease such employee action.

It is agreed and understood that any employee violating this Article may be subject to discipline up to and including termination.

It is understood that in the event this Article is violated, that in addition to any other legal remedies available to it the City shall be entitled, consistent with applicable law, to withdraw any rights privileges, or services provided for in this Agreement in Article 17 or in City rules from any employee and/or the Association.

20.0. EXISTING RULES AND PROCEDURES

Except as expressly provided herein, the parties hereto understand that existing City ordinances, City resolutions and written departmental policies and rules that cover all matters pertaining to employer-employee relations, namely; wages, benefits, hours and other terms and conditions of

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
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employment shall not be changed or amended prior to providing the Association the opportunity to meet and confer with City representatives.

21.0. PUBLIC SAFETY OFFICERS PROCEDURAL BILL OF RIGHTS ACT

The City hereby recognizes the Public Safety Officers Procedural Bill of Rights Act, codified in Government Code Sex. 3300 – 3311, relating to procedural rights accorded to public safety officers subject to investigation or discipline

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINA AND
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22.0. SIGNATURES AND EXECUTION

It is the mutual understanding of all parties hereto that this Memorandum of Understanding is of no force or effect whatsoever unless or until the same is determined by the Covina City Council by appropriate City Council action.

The parties hereto have caused this Memorandum of Understanding to be executed this 16th day of September 2008.

POLICE ASSOCIATION OF COVINA CITY OF COVINA

Gregg Peterson Date
President

Peggy Delach Date
Mayor

Deleted: Robert Bobkiewicz
Deleted: Kevin Stapleton

Date

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: CC 5

STAFF SOURCE: Anthony Arroyo, Director of Human Resources
Marie Klymkiw, Risk Manager *mk*

ITEM TITLE: A Resolution Approving the Carry Over of Certain Funds from Fiscal Year 09-10 to Fiscal Year 10-11.

STAFF RECOMMENDATION

Adopt **Resolution #10-6902** approving the carry over of certain funds from Fiscal Year 09-10 to Fiscal Year 10-11.

FISCAL IMPACT

On April 16, 2010, \$58,900.00 was approved by Council, to be transferred to the General Liability account 1010-0870-00 53000, to pay for the completion of the reconstruction of the Parks Maintenance Building at Covina Park. The work on the building was recently completed in early October 2010.

BACKGROUND

On October 20, 2009, a fire occurred at the Park Maintenance Building at Covina Park. Reconstruction of the building has just been completed. On April 16, 2010, Council approved a transfer of \$58,900.00 into the General Liability account, 1010-0870-00 53000 to pay for repairs to the Park building.





Generally, annual budget appropriations lapse at year end. The exceptions are encumbrances (open purchase orders), life-cycle appropriations (certain grants), and restricted revenues and donations. These are automatically carried forward and reserved in the appropriated fund balance. Additional appropriation carryovers require City Council authorization. Finance staff has reviewed the requests and have verified that the funds are available for carry over from Fiscal Year 09-10.

RELEVANCE TO STRATEGIC PLAN

None.

EXHIBITS

A. Resolution #10-6902

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: 

RESOLUTION NO. 10-6902

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COVINA, CALIFORNIA, APPROVING THE CARRY OVER OF
CERTAIN FUNDS FROM FISCAL YEAR 09-10 TO FISCAL YEAR 10-11**

WHEREAS, the City of Covina has certain operations and projects initiated prior to the fiscal year commencing July 1, 2010, which remain incomplete and will carry over from the previous fiscal year to the current fiscal year; and

WHEREAS, the City Council desires to appropriate the necessary carry over funds for the continuation and completion of certain City operations and projects and to set forth and appropriate certain expenses;

NOW, THEREFORE, the City Council of the City of Covina does hereby resolve that funds in the amount of \$58,900.00, that were designated for the completion of the reconstruction of the Park Maintenance Building, be carried over from Fiscal Year 2009-2010 to Fiscal Year 2010-2011 and the City Manager is authorized to implement the same.

Section 1: The City Clerk shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and is in force.

PASSED, APPROVED AND ADOPTED this 2th day in November, 2010.

Peggy Delach, Mayor

ATTEST:

Catherine LaCroix, Deputy City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: CC 6

STAFF SOURCE: Martha Heaviside, Deputy City Clerk's Office

MH

ITEM TITLE: Letters of Resignation from Michael Gainor of the Covina Library Board of Trustees and Carmine Lanza from the Covina Personnel Advisory Board

STAFF RECOMMENDATION

Accept the letters of resignation from Michael Gainor of the Covina Library Board of Trustees and Carmine Lanza from the Covina Personnel Advisory Board

FISCAL IMPACT

None

BACKGROUND

- a. On October 13, 2010, the Deputy City Clerk received the resignation of Michael Gainor
- b. On October 18, 2010, the Deputy City Clerk received the resignation of Carmine Lanza from the Covina Personnel Advisory Board

RELEVANCE TO THE STRATEGIC PLAN

This item has no direct relevance to the strategic plan.

EXHIBITS

- A. Resignation letter from Michael Gainor of the Covina Library Board of Trustees
- B. Resignation letter from Carmine Lanza of the Covina Personnel Advisory Board

REVIEW TEAM ONLY

City Attorney:

[Signature]

Finance Director:

[Signature]

City Manager:

[Signature]

Other:

[Signature]

RECEIVED BY
COVINA CITY CLERK

10 OCT 13 PM 2:20

Ms. Amy Hall McGrade
Covina Public Library Director

October 10, 2010

Dear Ms. Hall McGrade,

Please accept my resignation from the Covina Library Board of Trustees effective October 12, 2010. I will no longer be able attend the regularly scheduled Tuesday evening meetings of the Board due to my employment obligations.

Thank you,

A handwritten signature in black ink, appearing to read 'Michael Gainor', with a long, sweeping horizontal stroke at the end.

Michael Gainor

File

October 3, 2010

Mayor Peggy Delach
City of Covina, City Hall
125 East College Street
Covina, CA 91723

Re: Personnel Advisory Board

Dear Mayor Delach:

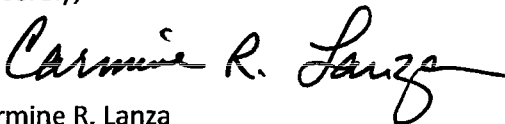
Please accept this letter as my resignation as a Member of the Covina Personnel Advisory Board.

I have been a Member of the Board for about twenty (20) years and I think it's time another member of the community is given a chance to do his/her civic duty by participating in city government.

I greatly enjoyed my many years on the Board and my opportunity to work with other Board Members, as well as excellent members of the City staff.

Thank you for the opportunity to serve on this Board and to serve my community.

Sincerely,



Carmine R. Lanza

341 N. Banna Avenue
Covina, CA 91724

cc: City Manager Daryl Parrish

Human Resources Director Anthony Arroyo ✓

PAB Chairman Glen Pierce (please forward)

EXHIBIT B

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: CC 7

STAFF SOURCE: Dilu De Alwis, Director of Finance *DL*
Marie Klymkiw, Risk Manager *mk*

ITEM TITLE: Receive and file report of total workers' compensation liabilities under Labor Code Section 3702.6(b) requiring each public self insurer to advise its governing board of total liabilities reported, and if current funding of those liabilities is in compliance with the requirements of GASB 10.

STAFF RECOMMENDATION

Receive and file report of total workers' compensation liabilities under Labor Code Section 3702.6(b) requiring each public self insurer to advise its governing board of total liabilities reported, and if current funding of those liabilities is in compliance with the requirements of GASB 10.

FISCAL IMPACT

The workers' compensation reserve was budgeted for in the Fiscal Year 2010-2011 Adopted Budget and is accounted for in internal service fund 7360-0000-00-00000.

BACKGROUND

Every year self-insured employers, both private and public are required to complete the "Self-Insurers" Annual Report and forward to the State of California. In compliance with Labor Code Section 3702.6(b), each public insurer is required to advise its governing board of the total workers' compensation liabilities reported and if the current funding of those liabilities is in compliance with the requirements of GASB 10. The estimated workers' compensation liability for the City of Covina, as of June 30, 2010 is \$3,301,000. A General Fund reserve of \$3,720,000 has been designated to fund the estimated liability.

RELEVANCE TO THE STRATEGIC PLAN

None

EXHIBITS

None

REVIEW TEAM ONLY

City Attorney: *[Signature]*

Finance Director: *DL*

City Manager: *P*

Other: *[Signature]*

COVINA REDEVELOPMENT AGENCY

AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: CC 8

STAFF SOURCE: Robert Neiuber, Deputy Executive Director *LN*
Nuala Gasser, Sr. Redevelopment Manager *mg*

ITEM TITLE: Approve a Right of Entry Agreement by and between the Covina Redevelopment Agency and Elite Dining, Inc.

STAFF RECOMMENDATION

Approve the Right of Entry Agreement for Renovation of Site Structures between the Covina Redevelopment Agency and Elite Dining, Inc., doing business as The Sugar Bowl, and authorize the Executive Director or his designee to execute said Agreement on behalf of the Agency.

FISCAL IMPACT

None.

BACKGROUND

Off Citrus, operator of the restaurant site at 114 E. Italia, Covina, since 1998, has ceased operations. The site will be available after November 7, 2010. Elite Dining, Inc., doing business as The Sugar Bowl, has made a proposal for a new restaurant to operate at this site. A lease for this site will be brought to the Agency Board in November for consideration.

As The Sugar Bowl would like to be operational as soon as possible, it has requested entry into the site to begin renovations prior to a lease consideration. The Right of Entry Agreement, attached as Exhibit A, will allow work to begin at 114 E. Italia, with the provision that

...nothing in this Agreement should be interpreted as granting Elite any vested development rights, nor shall this Agreement be interpreted as a conveyance of any property interest to the Elite or as a promise, indication, or a warrant by the Agency to enter into any sort of agreement in the future.

In addition, if there is no lease agreement agreed upon by the Agency and Elite Dining, Inc., all improvements to the site will become the property of the Agency. Any work commenced by Elite will be required to be completed in a workmanlike manner.



RELEVANCE TO THE STRATEGIC PLAN


Providing opportunities for economic development contributes to the City strategic plan objective of enhancing financial stability.

EXHIBIT

A. Right of Entry Agreement for Renovation of Site Structures

REVIEW TEAM ONLY

City Attorney:  Finance Director: 

City Manager:  Other: _____

ATTACHMENT A

RIGHT OF ENTRY AGREEMENT FOR RENOVATION

THIS AGREEMENT is entered into on November 2, 2010, between the COVINA REDEVELOPMENT AGENCY, a public body corporate and politic organized under the laws of the State of California, (hereinafter referred to as "Agency") and ELITE DINING SERVICES, INC., a California corporation, doing business as The Sugar Bowl, (hereinafter referred to as "Elite"). Agency and Elite are at times collectively referred to hereinafter as "Parties" or individually as "Party." Agency and Elite agree as follows:

1. SUBJECT OF AGREEMENT

1.1 Purpose of the Agreement

The purpose of this Agreement is to allow Elite access to Agency's Property for the limited purpose of renovating the existing structures in preparation for a proposed restaurant use. However, nothing in this Agreement should be interpreted as granting Elite any vested development rights, nor shall this Agreement be interpreted as a conveyance of any property interest to the Elite or as a promise, indication, or a warrant by the Agency to enter into any sort of agreement in the future.

1.2 Premises

The "Property" is that property commonly known as 114 E. Italia Street, Covina, CA consisting of one commercial business site shown generally on the Site Map attached hereto as Attachment No. 1 and having the property description set forth in Attachment No. 2.

1.3 Existing Structures

The "Existing Structures" are all building improvements present on the Property at the commencement of this Agreement, including but not limited to an existing restaurant and patio area.

2. TERMS

2.1 Grant of Right of Entry

2.1.1 Right of Entry. Subject to the terms and conditions of this Agreement, Agency grants Elite, its owners, employees, subcontractors, volunteers, members, consultants, agents, and related parties the right to enter the Property for the limited purpose of renovating the Existing Structures and performing all other activities reasonable related to this end, including general site clean up ("Right of Entry").

2.1.2 Termination of Right of Entry. The Right of Entry granted pursuant to this Agreement is freely revocable by Agency. The Right of Entry shall be revoked upon the earlier

to occur of: 1) the expiration of this Agreement, or 2) Twenty-Four (24) hours after Elite's receipt of written notice from Agency indicating Agency's termination of this Agreement.

2.1.3 Transferability. The Right of Entry may not be bought, assigned, or otherwise transferred by Elite.

2.2 Renovation

Agency hereby authorizes Elite to renovate the Existing Structures in accordance with and within the limitations established in the "Scope of Work" incorporated herein and attached to this Agreement as Attachment No. 3. Notwithstanding anything in this Agreement to the contrary, Elite shall not be obligated to renovate any structure, building, or improvement located on the Property.

2.3 Responsibilities of Elite

2.3.1 Minimize Inconvenience. In entering upon the Property in performance with the renovation of the Existing Structures, Elite shall reasonably minimize interference with, impairment of, or disruption of existing or future use, enjoyment, occupancy, and/or operation of any neighboring properties.

2.3.2 Recycling and Trash. Elite shall comply with State recycling mandates and all applicable laws regarding trash collection. Any recyclable materials or debris collected by Elite that can be feasibly diverted via reuse or recycling must be hauled to the appropriate handler or otherwise disposed of in a manner consistent with all applicable laws and regulations.

2.3.3 Property Condition. At all times and to the extent feasible, Elite shall keep the property free from unnecessary debris, including, but not limited to, trash, waste, rubbish, excess materials, equipment, piping, and loose combustible materials.

2.3.4 Fencing. During the course of the work authorized by the Agreement, Elite shall maintain the existing fencing on site, or other barricades sufficient to protect the public, if applicable.

2.3.5 Standard of Care. All work performed pursuant to this Agreement shall be done in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Elite represents and maintains that it is skilled in the professional calling necessary to perform the type of work authorized by this Agreement. Elite warrants that all employees and subcontractors shall have sufficient skill and experience to perform the tasks assigned to them. Elite further warrants that it, its employees, and subcontractors have all licenses, permits, qualifications, and approvals of whatever nature that are legally required, and such licenses and approvals shall be maintained throughout the term of this Agreement.

2.3.6 Insurance. On the days that Elite is on the Property Elite shall have in full force and effect adequate insurance to protect the Parties. Such insurance shall include liability assumed by Elite under this Agreement, and particularly:

(i) Appropriate bodily injury insurance with a limit of not less than two million dollars (\$2,000,000);

(ii) Workers' compensation insurance to the extent required pursuant to the Labor Code of the State of California;

(iii) Property damage liability insurance with a limit of not less than two million dollars (\$2,000,000);

All policies for liability protection, bodily injury, or property damage shall include an endorsement listing City of Covina, the Covina Redevelopment Agency, their directors, officials, officers, employees, agents, and volunteers as an additional insured with respect to operations under this Agreement. Each insurance policy required by this Agreement shall be endorsed to state that:

(i) Coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice has been given to Agency;

(ii) Any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to Agency, its directors, officials, officers, employees, agents, and volunteers.

Elite shall furnish Agency with original certificates of insurance and endorsements effecting the coverage required by this Agreement on forms satisfactory to the Agency. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by Agency if requested. All certificates and endorsements must be received and approved by Agency before the commencements of this Agreement. Agency reserves the right to require complete, certified copies of all required insurance policies at any time.

2.3.7 Labor Law and Prevailing Wage Compliance. To the extent that they are applicable, Elite shall comply with both federal and state labor laws, including, but not limited to, prevailing wage laws, in the performance of the work authorized by this Agreement. Elite shall defend, indemnify and hold Agency harmless from any claims arising out of any failure or alleged failure of Elite or its subcontractors to comply with applicable federal and/or state labor laws.

2.3.8 Permits. Before the commencement of any of the work authorized by this Agreement, Elite shall secure any and all governmental permits which may be required. Agency does not make any representation that it will issue or otherwise assist in the issuance of any such permit. Agency shall have no obligation or liability to verify whether Elite has obtained all necessary permits and approvals, and Elite's warranty to obtain such approvals prior to

commencement of the demolition of the Existing Structures shall be sufficient to hold Elite liable for its failure to do so.

2.3.9 Safety. Elite shall perform all the activities under this Agreement so as to avoid injury or damage to any person or property. In carrying out the activities authorized by this Agreement, Elite shall at all times be in compliance with all applicable local, state, and federal laws, rules, and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be preformed.

2.3.10 Removal Prior to Termination Elite agrees to remove all of Elite's equipment and property and any and all debris from the Property prior to either the conclusion of this Agreement or within Twenty-Four (24) hours of Elite receipt of written notice indicating Elite's intent to terminate this Agreement.

2.3.11 Completion of Work Commenced on Premises Elite agrees that all work commenced in this Agreement period shall be completed in a workmanlike manner. If Agency is required to repair or restore the premises due to a partially completed renovation commenced by Elite, Elite will be responsible for payment in full. Elite will provide Agency with such funds within 30 days after receipt of invoice.

3. GENERAL PROVISIONS

3.1 Indemnity.

Elite shall defend, assume all responsibility for, and hold the Covina Redevelopment Agency, the City of Covina, and their respective directors, officials, officers, employees, agents, and volunteers, harmless from, all claims or suits for, and damages to, property and injuries to persons, including accidental death (including attorneys' fees and costs), which may be caused by any of Elite's negligent act or omission, or willful misconduct, in connection with the activities under this Agreement, whether such activities or performance thereof be by Elite or anyone directly or indirectly employed or contracted with by Elite and whether such damage shall accrue or be discovered before or after termination of this Agreement. The indemnity and defense obligations of Elite under this Agreement shall not be affected by the absence or unavailability of insurance covering the same of by failure or refusal by any insurance carrier to perform any obligation on its part under any such policy of insurance.

3.2 Term.

This Agreement shall be effective for a period of three months, commencing on November 8, 2010, and, unless earlier terminated or extended, terminating on February 8, 2011. The term of this Agreement may be amended by mutual written agreement of the Parties. Notwithstanding any provision herein to the contrary, this Agreement and the Right of Entry granted hereon shall be revocable at will by Agency by providing written notice to Elite. This Agreement shall terminate Twenty-Four (24) hours after Elite's receipt of the written notice.

3.3 No Right to Develop.

Agency states, and Elite expressly acknowledges, that nothing in this Agreement, nor the execution of the Agreement itself, shall be interpreted or otherwise act to grant Elite any vested development right to the Property, nor does this Agreement convey to Elite any property interest to the Property, nor does this Agreement indicate any intention, willingness, expectancy, or obligation on the part of Agency to enter into any sort of agreement with Elite other than this Agreement itself. Nothing in this Agreement shall be interpreted in granting to Elite any governmental permit, to include any permit required by any government body legally necessary to demolish the Existing Structures currently located on the Property. Nothing in this Agreement shall be interpreted as obligating Agency to issue or assist Elite in obtaining any such governmental permit.

3.4 Sole Cost and Expense.

Elite expressly acknowledges that it is entering into this Agreement and performing the work authorized hereunder at its own risk. Elite further acknowledges that any work Elite chooses to perform in connection with this Agreement shall be at its sole cost and expense. Elite further acknowledges that any activity or work or act by Elite made in connection with this Agreement will not impose any obligation upon Agency to compensate Elite, to convey any sort of property interest to Elite, or enter into any sort of development agreement with Elite. Elite acknowledges that all alterations and utility installations shall, at the termination of this Agreement, become the property of the Agency.

3.5 Entire Agreement.

This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified in writing, and must be signed by both Parties prior to being effective.

3.6 Institution of Legal Action

Either Party may institute legal action to cure, correct, or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement.

3.7 Governing Law.

This Agreement shall be governed by the laws of the State of California. Venue shall be in Los Angeles County.

3.8 Attorney's Fees.

If either Party commences an action against the other Party, either legal, administrative, or otherwise, arising out of connection with this Agreement, the prevailing Party in

such litigation shall be entitled to have and recover from the losing Party reasonable attorney's fees and all other costs of such action.

3.9 Notice.

Formal notices, demands, and communications between Agency and Elite shall be sufficiently given if personally served, or if dispatched by registered or certified mail, postage prepaid, return receipt requested, or if sent by overnight air courier, next day delivery to the principal offices of Agency and Elite. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail or courier as provided in this Section.

3.10 Assignment or Transfer.

Elite shall not assign or transfer, either directly or by operation of law, this Agreement. Any attempt to do so shall be null and void.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set opposite their signatures.

DATED: _____

COVINA REDEVELOPMENT AGENCY

By: _____
Daryl J. Parrish, Executive Director

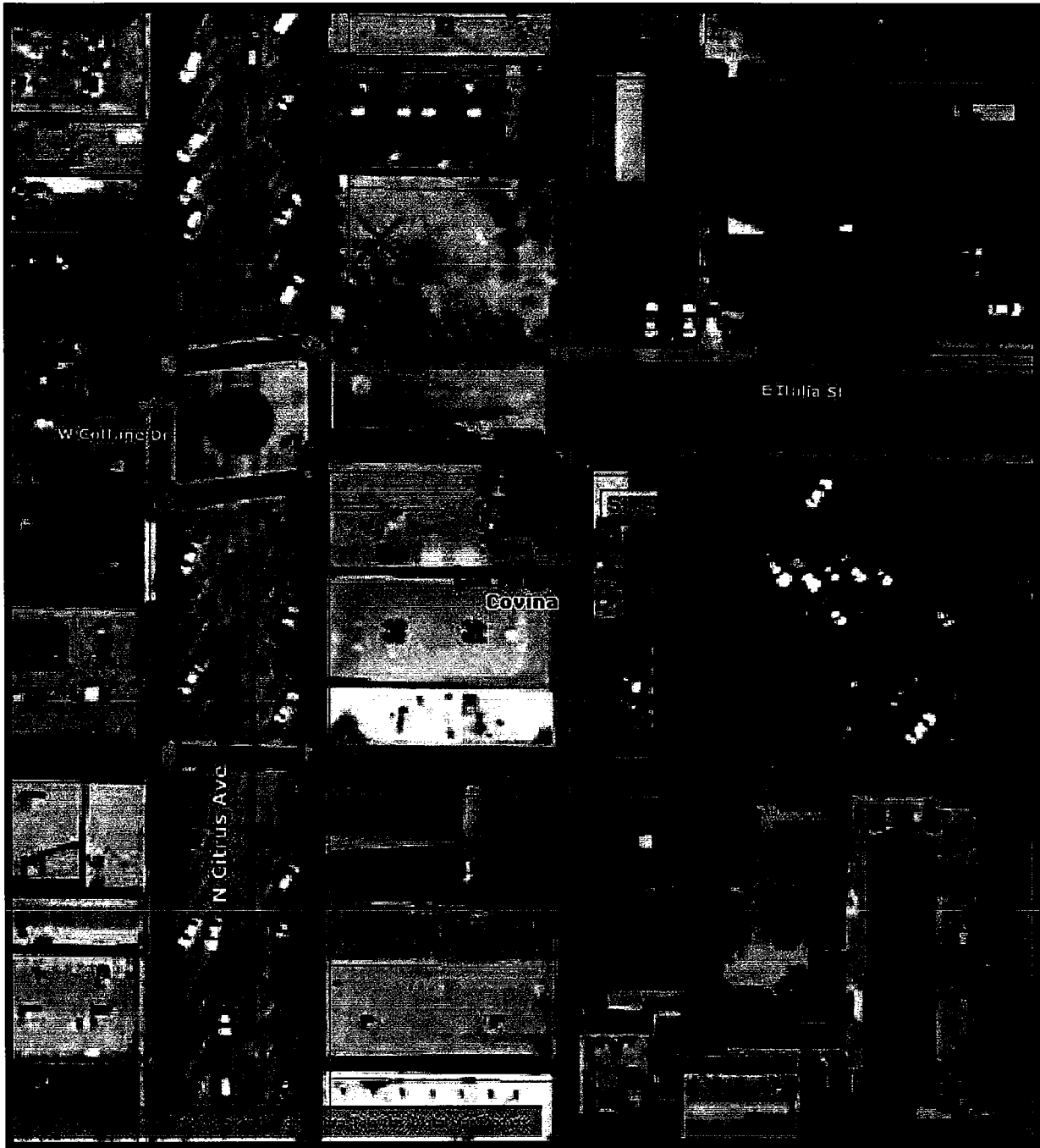
DATE: _____

ELITE DINING SERVICES INC., Doing Business
as The Sugar Bowl

By: _____

ATTACHMENT 1

SITE MAP



**114 E. Italia Street,
Covina CA
Restaurant Site**



70 ft
CityGIS

ATTACHMENT 2

RIGHT OF ENTRY AGREEMENT FOR
RENOVATION OF SITE STRUCTURES

PROPERTY DESCRIPTION

The land referred to herein below is situated in the City of Covina, County of Los Angeles, State of California, and is described as follows:

114 E. Italia Street, Covina, CA 91723

Related site includes a portion of APN 8445-001-905 consisting of a 1,406 square foot restaurant and 720 square foot covered patio.

ATTACHMENT 3

RIGHT OF ENTRY AGREEMENT FOR
RENOVATION OF SITE STRUCTURES

SCOPE OF WORK

This Agreement includes renovating the existing commercial structure located at 114 E. Italia Street, Covina, California in preparation for a proposed restaurant use.

Debris will be removed from site and disposed of legally.


Elite shall comply with local, State and Federal Safety and Health Requirements.

COVINA REDEVELOPMENT AGENCY

AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: CC 9

STAFF SOURCE: John B. Fielding, Treasurer
Dilu DeAlwis, Finance Director 
Alan Sands, Accountant

ITEM TITLE: Quarterly Report of the Treasurer to the Covina Redevelopment Agency
for the Quarter Ended September 30, 2010

STAFF RECOMMENDATION

Receive and file the Quarterly Report of the Treasurer for the Quarter Ended September 30, 2010.

FISCAL IMPACT

None.

BACKGROUND

In accordance with State legislation, the Treasurer is required to submit annually a statement of investment policy to the Agency for adoption. The original policy was adopted at the meeting of July 18, 2006.

Section 4.0 of the policy requires a report by the Treasurer to the Agency and Executive Director containing detailed information on all securities, investments, and moneys of the Covina Redevelopment Agency. The report shall be submitted on a quarterly basis within 30 days following the end of the quarter. The report for the quarter ended September 30, 2010 is being presented showing cash placement, containing a statement that investments are in compliance with adopted policy, and that there are sufficient surplus funds immediately available to meet the pooled expenditures of the Agency for the next six months.

RELEVANCE TO STRATEGIC PLAN

Not Applicable.


EXHIBITS

- A Quarterly Report of the Treasurer to the Covina Redevelopment Agency for the
Quarter Ended September 30, 2010
- A-1 Cash and Investment Summary
- A-2 Bond Logistix Investment Portfolio Summary
- A-3 Diversified Securities Investment Portfolio Summary
- A-4 Smith Barney Investment Portfolio Summary
- A-5 Investment Holdings by Sector
- A-6 City & CRA Cash & Investments Three Year Comparison

REVIEW TEAM ONLY

City Attorney: 

Finance Director: 

City Manager: 

Other: _____

EXHIBIT A
COVINA REDEVELOPMENT AGENCY
REPORT OF THE CITY TREASURER TO THE AGENCY

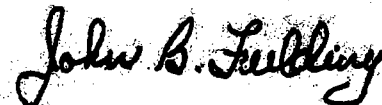
CASH BALANCE	6/30/2010	\$27,460,541.05
RECEIPTS	7/1/10-9/30/10	3,825,157.91
		<u>31,285,698.96</u>
DISBURSEMENTS	7/1/10-9/30/10	(1,200,609.62)
CASH BALANCE	9/30/2010	<u>\$30,085,089.34</u>

ANALYSIS OF CASH AND INVESTMENT BALANCE

BANK OF THE WEST	PASSBOOK	\$ 5.12
LAIF	STATE FUND	3,905,991.26
BOND LOGISTIX INVESTMENT PORTFOLIO	EXHIBIT A-2	18,464,329.97
WELLS FARGO MONEY MARKET AND U.S. TREASURY BILLS	EXHIBIT A-2	165,428.12
DIVERSIFIED SECURITIES INVESTMENT PORTFOLIO	EXHIBIT A-3	0.00
FEDERATED CAPITAL RESERVE MONEY MARKET	EXHIBIT A-3	1,127,810.71
SMITH BARNEY INVESTMENT PORTFOLIO	EXHIBIT A-4	2,885,081.62
SMITH BARNEY MONEY MARKET	EXHIBIT A-4	69,857.36
TOTAL INACTIVE PUBLIC DEPOSITS		<u>26,618,504.17</u>
CHECKING AND PETTY CASH BALANCES		<u>3,466,585.17</u>
CASH AND INVESTMENT BALANCE	9/30/2010	<u>\$30,085,089.34</u>
CASH HELD BY THIRD PARTY ADMINISTRATORS		<u>1,418,396.43</u>
TOTAL CASH & INVESTMENT BALANCE	9/30/2010	<u>\$31,503,485.77</u>

This report is in compliance with the Covina Redevelopment Agency (Agency) Statement of Investment Policy. There is sufficient investment liquidity to meet the pooled expenditures of the Agency for the next 6 months.

Respectfully submitted,



John B. Fielding
Treasurer

EXHIBIT A-1
COVINA REDEVELOPMENT AGENCY
QUARTERLY TREASURER'S REPORT - SEPTEMBER 30, 2010

TYPE OF INVESTMENT	ISSUER	BOOK VALUE \$	ACQUISITION DATE	MATURITY DATE	MARKET VALUE \$
Covina Redevelopment Agency:					
Pass Book	Bank of the West	\$5.12	N/A	Demand	\$5.12
Petty Cash	N/A	200.00	N/A	N/A	200.00
Checking Account	Bank of the West	3,466,385.17	N/A	Demand	3,466,385.17
Bond Logistix Portfolio	Various	18,464,329.97	Various	Various	18,472,534.80
Wells Fargo Money Market and Treasury Bills	Various	165,428.12	N/A	Demand	165,428.12
Diversified Securities Investment Portfolio	Various	-	Various	Various	-
Federated Capital Reserve Money Market	Various	1,127,810.71	Various	Demand	1,127,810.71
Smith Barney Investment Portfolio	Various	2,885,081.62	Various	Various	2,880,281.69
Smith Barney Money Market	Various	69,857.36	Various	Demand	69,857.36
Local Agency Investment Fund	State of California	3,905,991.26	N/A	Demand	3,905,991.26
Subtotal (A)		\$30,085,089.34			\$30,088,494.23
Cash Held Under 3rd Party Administrator:					
(1) 1997 Covina Redevelopment Agency ABAG 1997 Tax Allocation Revenue Bonds Series A	Wells Fargo Treasury Plus Money Market	135,145.46	N/A	Demand	135,145.46
(2) 1997 Revenue Bonds, Series B Fiscal Agent: BNY Western Trust Company	Wells Fargo Treasury Plus Money Market	499,457.18	N/A	Demand	499,457.18
(3) 2002A Revenue Bonds Fiscal Agent: BNY Western Trust Company	Wells Fargo Treasury Plus Money Market	783,791.51	N/A	Demand	783,791.51
(4) 2004 A Tax Allocation Revenue Bond Fiscal Agent: BNY Western Trust Company	Wells Fargo Treasury Plus Money Market	1.19	N/A	Demand	1.19
(5) 2004 B Tax Allocation Revenue Bond Fiscal Agent: BNY Western Trust Company	Wells Fargo Treasury Plus Money Market	1.09	N/A	Demand	1.09
Subtotal (B)		1,418,396.43			\$1,418,396.43
TOTAL (A+B)		\$31,503,485.77			\$31,506,890.66

Comment:
The investments are in compliance with the adopted policy of the Covina Redevelopment Agency.

Exhibit A-2
CITY OF COVINA
Bond Logistix
Investment Portfolio as of
September 2010

Date	Qty	Price	Market Value	Cost Value	Total	Yield	Maturity	Issuer
09/28/09	20,000	107.844000	2,156,880.00	2,161,740.00	2,161,740.00	4.5000	10/17/2012	Fed Farm Credit Bank
08/27/08	22,000	103.219000	2,270,818.00	2,301,090.00	2,301,090.00	3.6250	9/16/2011	Fed Home Ln Bank
02/19/09	20,000	102.469000	2,049,380.00	2,015,560.00	2,015,560.00	2.1250	3/23/2012	Fed Home Ln Bank
08/26/09	21,000	105.594000	2,217,474.00	2,284,296.00	2,284,296.00	5.3750	11/15/2011	Fed National Mortgage
10/10/08	10,000	103.969000	1,039,690.00	1,076,015.63	1,076,015.63	4.6250	8/31/2011	US Treasury
10/10/08	9,500	104.184000	989,748.00	1,019,765.63	1,019,765.63	4.5000	9/30/2011	US Treasury
06/30/09	20,000	107.883000	2,157,660.00	2,186,250.00	2,186,250.00	4.8750	6/30/2012	US Treasury
10/31/07	15,000	107.203000	1,608,045.00	1,532,578.13	1,532,578.13	3.8750	10/31/2012	US Treasury
12/31/07	10,000	107.086000	1,070,860.00	1,072,265.63	1,072,265.63	3.6250	12/31/2012	US Treasury
03/31/08	13,000	104.977000	1,364,701.00	1,344,230.47	1,344,230.47	2.5000	3/31/2013	US Treasury
04/30/08	21,000	106.695000	2,240,595.00	2,193,187.50	2,193,187.50	3.1250	4/30/2013	US Treasury
11/17/08	20,000	101.602000	2,032,040.00	2,039,062.50	2,039,062.50	1.7500	11/15/2011	US Treasury
03/15/09	13,500	101.539000	1,370,776.50	1,370,250.00	1,370,250.00	1.3750	3/15/2012	US Treasury
05/15/09	20,000	101.621000	2,032,420.00	1,982,187.50	1,982,187.50	1.3750	5/15/2012	US Treasury
07/15/09	13,500	102.023000	1,377,310.50	1,376,736.33	1,376,736.33	1.5000	7/15/2012	US Treasury
07/31/09	20,000	100.605000	2,012,100.00	2,012,031.25	2,012,031.25	1.0000	7/31/2011	US Treasury
09/15/09	17,000	101.840000	1,731,280.00	1,725,699.22	1,725,699.22	1.3750	9/15/2012	US Treasury
04/30/07	10,000	106.578000	1,065,780.00	1,080,937.50	1,080,937.50	4.5000	4/30/2012	US Treasury
			\$ 30,787,558.00	\$ 30,773,883.29	\$ 30,773,883.29			

Wells Fargo Money Market

\$ 275,713.54

Total Value of Portfolio **\$ 31,049,596.83**

-

Sold/Matured Investment

09/24/08	14,000	104.176000	1,458,464.00	1,499,312.50	1,499,312.50	4.8750	7/31/2011	US Treasury
				\$ (1,458,351.56)				
08/26/09	12,000	100.734000	1,208,808.00	1,203,000.00	1,203,000.00	1.1250	6/30/2011	US Treasury
				\$ (1,208,437.50)				
Total			\$ 1,208,808.00	\$ 35,523.44	\$ 1,203,000.00			

Interest Summary

Interest Collected in 9/30/2010 116,983.54

Cost Breakdown**Investment:**

CRA portion	\$ 18,464,329.97
City portion	12,309,553.32
	<u>\$ 30,773,883.29</u>

Money Market:

CRA portion	\$ 165,428.12
City portion	\$ 110,285.42
	<u>\$ 275,713.54</u>

Interest Collected in

City 40%	46,793.42
CRA 60%	70,190.12
Total	<u>116,983.54</u>

Gain (Loss) on sale of investment	<u>(35,523.44)</u>
City 40%	(14,209.38)
CRA 60%	<u>(21,314.06)</u>
Total	(35,523.44)

City 40%

1010-0000-00-10881	46,793.42	-
1010-0000-00-47200	-	46,793.42
1010-0000-00-10881	-	14,209.38
1010-0000-00-47200	14,209.38	-

CRA 60%

5011-0000-00-10881	70,190.12	-
5011-4400-00-47200	-	70,190.12
5011-0000-00-10881	-	21,314.06
5011-4400-00-47200	21,314.06	-

Exhibit A-3
CITY OF COVINA
Diversified Securities
Investment Portfolio as of
September 2010

<u>Date</u>	<u>Qty</u>	<u>Price</u>	<u>Market Value</u>	<u>Cost Value</u>	<u>Total</u>	<u>Yield</u>	<u>Maturity</u>	<u>Issuer</u>
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	Total	\$	-	\$	-	\$	-
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Federated Capital Reserve Money Market					\$ 2,255,621.42		
--	--	--	--	--	-----------------	--	--

	Total Value of Portfolio				<u>\$ 2,255,621.42</u>		
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-

Sold/Matured Investment

	Total	\$	-
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Interest Summary

Interest Collected in	9/30/10		50.29
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Fee Summary

Fees Collected in	9/30/10		-
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Cost Breakdown

Investment:

CRA portion		\$	-
City portion			-
		\$	-

Money Market:

CRA portion		\$ 1,127,810.71
City portion		\$ 1,127,810.71
		\$ 2,255,621.42

Interest Collected in

	City 50%		25.15
	CRA 50%		25.14

Exhibit A-3
CITY OF COVINA
Diversified Securities
Investment Portfolio as of
September 2010

	Total	50.29
Fee Summary		
	City 50%	-
	CRA 50%	-
	Total	-
	Gain (Loss) on sale of investment	-
	City 50%	-
	CRA 50%	-
	Total	-

City 50%

interest		
1010-0000-00-10882	25.15	
1010-0000-00-47200		25.15
gain/loss sale		
1010-0000-00-10882	-	
1010-0000-00-47200		-
management fees		
1010-0500-00-51110	-	
1010-0000-00-10882		-

CRA 50%

interest		
5011-0000-00-10882	25.14	
5011-4400-00-47200		25.14
gain/loss sale		
5011-0000-00-10882	-	
5011-4400-00-47200		-
management fees		
5011-4400-00-51110	-	
5011-0000-00-10882		-

Exhibit A-4
CITY OF COVINA
Smith Barney
Investment Portfolio as of
September 2010

Date	Qty	Price	Market Value	Cost Value	Total	Yield	Maturity	Issuer
1/29/2010	3,850	100.172000	385,662.20	388,144.45	388,977.39	1.2500	11/30/2010	US Treasury
5/17/2010	1,000	100.164000	100,164.00	100,355.80	100,689.36	0.8750	12/31/2010	US Treasury
6/3/2010	1,500	100.164000	150,246.00	150,504.45	151,066.43	0.8750	12/31/2010	US Treasury
6/21/2010	2,800	100.164000	280,459.20	280,952.56	282,123.42	0.7500	12/31/2010	US Treasury
4/30/2010	3,700	100.281000	371,039.70	371,518.52	372,081.86	0.8750	2/28/2011	US Treasury
3/23/2010	3,000	99.930000	299,790.00	298,689.00	298,689.00	-	3/1/2011	Fed National Mortgage Association
8/31/2009	2,500	100.328000	250,820.00	250,820.00	251,458.37	0.8750	3/31/2011	US Treasury
9/13/2010	1,900	100.328000	190,623.20	190,623.20	191,434.59	0.8750	3/31/2010	US Treasury
12/30/2009	4,000	100.379000	401,516.00	401,516.00	401,419.24	0.8750	4/30/2011	US Treasury
5/29/2009	1,000	103.820000	103,820.00	108,398.77	108,398.77	4.8750	7/31/2011	US Treasury
2/26/2010	2,000	100.746000	201,492.00	200,696.00	201,895.74	1.0000	10/31/2011	US Treasury
3/31/2010	1,200	100.746000	120,895.20	120,422.28	120,926.15	1.0000	10/31/2011	US Treasury
7/31/2009	3,500	102.023000	357,080.50	348,880.08	349,151.14	1.4970	7/15/2012	US Treasury
8/27/2010	1,900	100.418000	190,794.20	190,424.01	190,424.01	0.6250	7/31/2012	US Treasury
9/30/2009	1,600	101.840000	162,944.00	159,724.80	159,810.28	1.3770	9/15/2012	US Treasury
10/30/2009	1,200	101.840000	122,208.00	119,897.28	120,116.06	1.3750	9/15/2012	US Treasury
11/30/2009	1,400	101.930000	142,702.00	142,702.00	141,053.52	1.3750	11/15/2012	US Treasury
4/30/2009	200	101.242000	20,248.40	20,248.40	21,134.60	5.0000	1/15/2011	Oracle/Ozark
4/30/2009	200	101.825000	20,365.00	20,365.00	21,290.60	5.2500	2/22/2011	Cisco
4/30/2009	200	102.985000	20,597.00	20,597.00	21,724.80	7.8750	3/1/2011	AT&T Wireless
4/30/2009	200	102.913000	20,582.60	20,582.60	21,538.60	6.9500	3/15/2011	American Home Products
4/30/2009	200	103.244000	20,648.80	20,648.80	21,635.00	5.6000	5/15/2011	Abbott Laboratories
5/5/2009	200	104.742000	20,948.40	20,948.40	20,557.80	5.0000	11/15/2011	General Electric Cap Corp Medium
6/3/2010	2,000	103.037000	206,074.00	206,074.00	209,248.67	3.0000	12/9/2011	General Electric Cap Corp
7/14/2010	200	105.696000	21,139.20	21,139.20	21,718.93	5.3500	2/1/2012	Bear Stearns Co Inc sr Notes
7/14/2010	200	104.212000	20,842.40	20,842.40	21,173.10	3.7500	3/1/2012	Coca Cola Enterprisese
5/5/2009	200	106.393000	21,278.60	21,278.60	21,395.20	5.2500	3/1/2012	Hewlett-Packard Co Global
5/5/2009	200	103.844000	20,768.80	20,768.80	20,676.00	3.4500	3/3/2012	Chevron Corp
5/21/2009	200	103.917000	20,783.40	20,783.40	20,818.00	3.5500	3/6/2012	Eli Lilly & Co
5/5/2009	200	105.263000	21,052.60	21,052.60	21,234.00	4.4500	3/15/2012	Pfizer Inc
9/13/2010	1,400	102.464000	143,449.60	143,449.60	144,465.53	3.6250	8/1/2012	Bank of America Corp
7/14/2010	200	104.085000	20,817.00	20,817.00	20,909.13	3.6250	8/1/2010	Goldman Sachs Group Inc
6/21/2010	700	102.753000	71,927.10	71,927.10	71,814.87	2.0000	9/28/2012	General Electric Cap Corp
7/14/2010	200	101.984000	20,396.80	20,396.80	20,416.86	1.8750	11/20/2012	Boeing Co
8/13/2010	200	108.555000	21,711.00	21,711.00	22,059.70	4.5000	4/1/2013	Bank New York Inc Medium Term
7/13/2010	200	102.470000	20,494.00	20,494.00	20,344.31	2.0000	4/5/2013	Caterpillar Fin Service Corp
7/14/2010	200	110.349000	22,069.80	22,069.80	22,259.57	5.2500	4/15/2010	Verizon Communications
45,550								
Total			\$ 4,608,450.70	\$4,600,463.70	\$ 4,616,130.60			

Federated Capital Reserve Money Market

\$ 111,771.78

Total Value of Portfolio \$ 4,727,902.38

	check	
prior mo bal		4,729,722.49
transactions		(1,820.11)
Curr mo bal		4,727,902.38
Diff		-

Sold/Matured Investment

3/31/2009	4,000	100.125000	400,500.00	418,651.20	418,651.20	4.3750	9/13/2010	Fed National Mortgage Association
				(400,000.00)				

Total	\$ 400,500.00	\$ 18,651.20
-------	---------------	--------------

Interest Summary

Interest Collected in	Sep-10		16,831.09
Accrued Interest paid	Sep-10	(-)	
Accrued Interest recei	Sep-10		16,831.09

Fee Summary

Fees Paid in	Sep-10
--------------	--------

Cost Breakdown

Investment:

CRA portion	\$ 2,885,081.62
City portion	1,731,048.97
	<u>\$ 4,616,130.60</u>

Money Market:

CRA portion	\$ 69,857.36	2,954,938.99
City portion	\$ 41,914.42	1,772,963.39
	<u>\$ 111,771.78</u>	<u>4,727,902.38</u>

Interest Collected in

City 37.5%	6,311.66
CRA 62.5%	10,519.43
Total	<u>16,831.09</u>

Fee Summary

City 37.5%	-
CRA 62.5%	-
Total	<u>-</u>

Gain (Loss) on sale of investment

	<u>(18,651.20)</u>	
City 37.5%	(6,994.20)	
CRA 62.5%	(11,657.00)	
Total	<u>(18,651.20)</u>	(1,820.11)

CITY

interest

1010-0000-00-10883	6,311.66	-
1010-0000-00-47200	-	6,311.66
gain/loss sale		
1010-0000-00-10883	-	6,994.20
1010-0000-00-47200	6,994.20	-
management fees		
1010-0500-00-51110	-	
1010-0000-00-10883		-

CRA

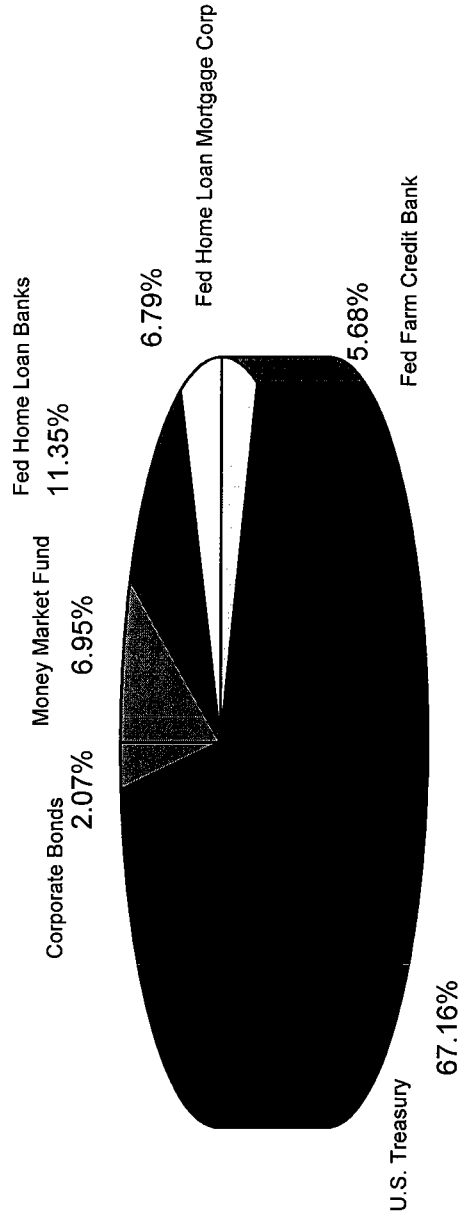
interest

5011-0000-00-10883	10,519.43	-
5011-4400-00-47200	-	10,519.43
gain/loss sale		
5011-0000-00-10883	-	11,657.00
5011-4400-00-47200	11,657.00	-
management fees		
5011-4400-00-51110	-	
5011-0000-00-10883		-

EXHIBIT A-5 INVESTMENT HOLDINGS BY SECTOR

	Bond Logistix* Investment	Diversified Securities	Smith ** Barney	Total Investment	Percentage
Money Market Fund	275,714	2,255,621	111,772	2,643,107	6.95%
Fed Home Loan Banks	4,316,650	0	0	4,316,650	11.35%
Fed Home Loan Mortgage Corp	2,284,296	0	298,689	2,582,985	6.79%
Fed Farm Credit Bank	2,161,740	0	0	2,161,740	5.68%
U.S. Treasury	22,011,197	0	3,531,026	25,542,224	67.16%
Corporate Bonds	0	0	786,415	786,415	2.07%
Total	31,049,597	2,255,621	4,727,902	38,033,121	100.00%

Holdings by Sector



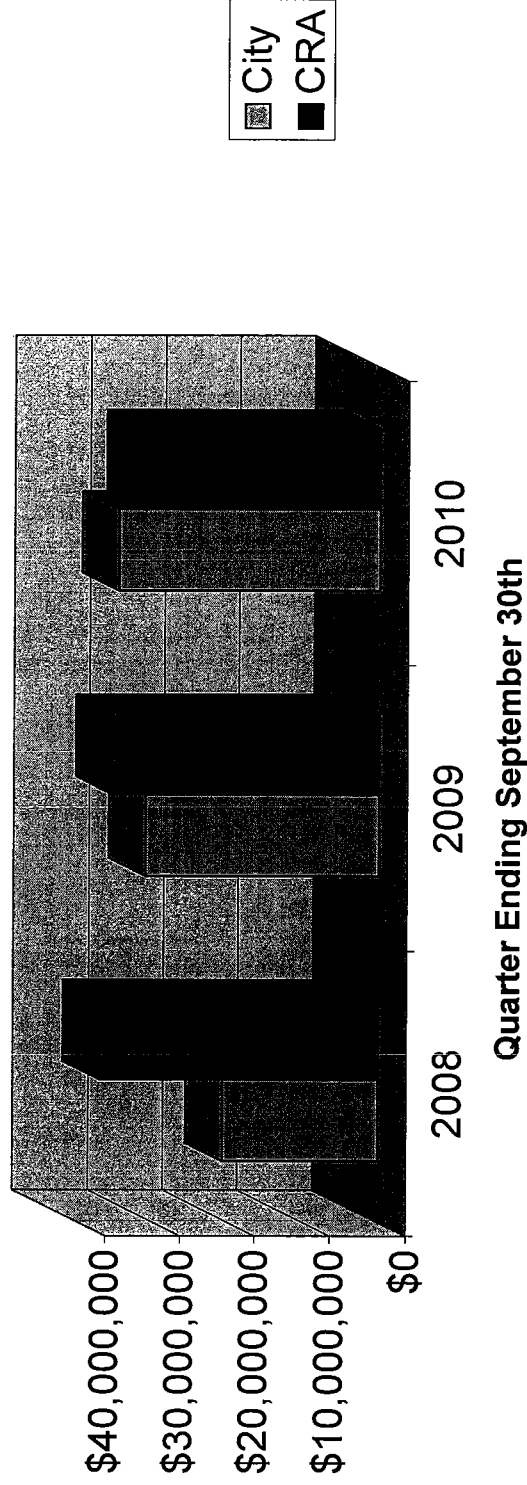
* Bond Logistix average S&P rating: AAA. Average coupon rate: 3.05%

** Smith Barney average S&P rating: AA+. Average coupon rate: 1.51%

City of Covina / CRA - Total Investments Year-Over-Year Comparison

Quarter Ending	City	CRA
9/30/2008	\$20,654,680.80	\$37,061,517.87
9/30/2009	31,098,483.37	35,510,951.44
9/30/2010	34,771,584.09	31,503,485.77

City of Covina & CRA Total Cash & Investments Three Year Comparison




COVINA REDEVELOPMENT AGENCY

AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: CC 10

STAFF SOURCE: Robert Neiuber, Deputy Executive Director 
Nuala Gasser, Sr. Redevelopment Manager

ITEM TITLE: Report on the International Council of Shopping Centers (ICSC) Western Division Conference--Deal Making

STAFF RECOMMENDATION

Receive and file report on the ICSC Western Division Conference--Deal Making

FISCAL IMPACT

Funding is provided and budgeted through the Redevelopment Agency Project Funds.

BACKGROUND

The International Council of Shopping Centers (ICSC) is the premier global trade association of the shopping center industry, with over 55,000 members. The ICSC Western Division Conference--Deal Making, was held September 22 through September 24, in San Diego at the San Diego Convention Center. The public sector views this meeting as an important opportunity to showcase their municipality and all it has to offer to retailers and shopping center professionals.

In preparation for the convention, staff met with local developers and owners of available sites, and obtained marketing material to present to retailers. At the Conference, staff members Robert Neiuber and Nuala Gasser met with developers and retail representatives to discuss current retail uses, possible future retail opportunities and development opportunities in Covina. ICSC's SmartBrief reported that the conference, traditionally a frenzied, high-energy marketplace for buying, selling and leasing retail real estate, has been more subdued since 2008 when the housing bust and recession dealt crippling blows to retailers and shopping-center developers. This year, it was reported that the mood at the conference was greatly improved from last year.



RELEVANCE TO THE STRATEGIC PLAN

Attendance and networking with retailers and developers at this event dovetails with the City strategic plan objectives of enhancing financial stability.

EXHIBITS

None.

REVIEW TEAM ONLY

City Attorney:  Finance Director: 

City Manager:  Other: _____

CITY OF COVINA

AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: CPH 1

STAFF SOURCE: Robert Neiuber, Director of Community Development *RN*
Lt. Pat Buchanan, Covina Police Department

ITEM TITLE: Continued Council consideration of voiding/revocation of Conditional Use Permits #87002 and 99-001 and Business License #027874 for the establishment known as "The Well" Bar, located at 989 West San Bernardino Road, Covina, California 91722

STAFF RECOMMENDATION

- a. Conduct the continued Public Hearing, take testimony and evidence and hear arguments.
- b. Consider voiding/revocation of Conditional Use Permits #87002 and 99-001 and Business License #027874¹ for the establishment known as "The Well" Bar, located at 989 West San Bernardino Road, Covina, California 91722
- c. Approve Council **Resolution 10-6904** voiding/revoking CUP 87002, CUP 99-001 and Business License #027874.

FISCAL IMPACT

Retail establishments generate sales tax, which is a part of the City's General Fund. In general, smaller retail establishments similar to The Well Bar generate less than \$5,000 of sales tax in a given fiscal year. There is the possibility of the loss of sales tax generation from the site if the CUP's and Business License are revoked.

BACKGROUND

The City Council is asked to consider voiding/revocation of two conditional use permits and the business license for "The Well" bar, located at 989 West San Bernardino Road. This matter was originally brought to the Council on October 19 and staff requested that the public hearing be continued to this evening to allow review of additional evidence that had recently come to light.

In accordance with the Covina Municipal Code, staff served a notice of hearing on September 29, 2010 upon both the business owners and property owners of "The Well" bar. Notice was also published and mailed to property owners within 300 feet of "The Well" on October 7, 2010 in accordance with the Covina Municipal Code. Because the public hearing was continued to a specific date, no further noticing is required. Additionally, on October 20, 2010, City staff sent copies of the City's evidence contained in an Administrative Record to the business and property owners of "The Well" Bar. Copies of the Administrative Record have also been distributed to the City Council and a copy is on file with the City Clerk's office.

¹ Staff notes that a prior report identified the business license number as "02784". That reference has been corrected in this report and the Administrative Record.

The conditional use permits being considered for voiding/revocation this evening authorized the on-site sale of beer and wine (Type 41 ABC license) in conjunction with a small eating establishment (CUP 87002), and the operation of five game machines and one (1) karaoke machine in conjunction with an existing small eating establishment with on-site sale of beer and wine (CUP 99-001). Additionally, the operator's business license is being considered for revocation as well.

As shown on the attached Exhibit "A" and the Administrative Record, operations at this facility have not been in compliance with the approved CUP conditions of approval and are not in compliance with other provisions of the Covina Municipal Code. Further, other activities at the subject property have created a nuisance in this area of Covina. Indeed, these nuisance activities have generated a significant number of calls for service from the Covina Police Department, culminating in recent multiple arrests of owners, managers and employees for illegal gambling. As a result, both the Covina Community Development Department and Police Department recommend that the City Council consider voiding/revocation of these CUP's and the business license.

DISCUSSION

Standards for revoking a Conditional Use Permit

Covina Municipal Code, Section 17.62.170(A) provides, in part, that:

"The council, with or without a recommendation from the [planning] commission, may by resolution, upon notice and hearing as specified herein, void any conditional use permit for noncompliance with the conditions set forth in granting the conditional use permit. . . ."

Covina Municipal Code, Section 5.04.050(A) also provides, in part, that:

"Any permit granted pursuant to the provisions of this code may be by the city council revoked or suspended as in its discretion may seem just and equitable, or for any reason for which the granting of such permit may be lawfully denied, including but not limited to the operation of a permitted business, occupation or event in a disorderly manner. . . ."

Standards for revoking a Business License

Finally, Covina Municipal Code, Section 5.04.035(B) also provides, in part, that:

"The city council may revoke, amend, modify, or impose such other or further terms, conditions or restrictions on the terms, conditions or restrictions theretofore placed in said [business] license as the council finds reasonable or necessary to ensure that the business enterprise, occupation or event will not be contrary to, inimical to or jeopardize the preservation of the public peace, safety or welfare of the city or its inhabitants or to be detrimental to other properties or businesses in the vicinity."

Thus, the Council may void/revoke these CUP's if, after hearing all of the evidence, it finds that (1) there has been noncompliance with CUP conditions of approval and/or (2) the uses authorized by the CUP's have been conducted in a disorderly manner. The Council may also void/revoke the business license if, after hearing all of the evidence, it finds the business is "contrary to, inimical to or jeopardizes the preservation of the public peace, safety or welfare." Further, case law has established that the Council must make these determinations using a "preponderance of the evidence" standard. Preponderance of the evidence requires evidence of such weight that, when balanced against the evidence opposed to it, it has more convincing force.

It is also noted that the Covina Municipal Code creates a rebuttable presumption that a business is being operated in a "disorderly manner" and is "contrary to, inimical to or jeopardizes the preservation of the public peace, safety or welfare" if there have been at least:

"six verified calls for response made to either the Covina police department or any other law enforcement agency pertaining to any criminal assault, battery, personal injury, vandalism or destruction of property, disturbance of the peace, or disorderly conduct which has occurred at the business enterprise, occupation or event, within any 90-calendar-day period."

(C.M.C. Sections 5.04.050(A) and 5.04.035(B) (Emphasis added)). The legal effect of this presumption is as follows: Typically, the burden of proof is on City staff to establish "disorderly" or "inimical" operations justifying permit/license revocation. However, if City staff can establish that the location has received excessive calls for service, as indicated above, the Code shifts the burden of proof to the business/property owners to demonstrate that their operations are not so.

ALTERNATIVE ACTION

As an alternative, if the Council believes that there are conditions that can be imposed that would mitigate the nuisance conditions and the applicant can comply with prior conditions, the Council may consider a lesser consequence, such as suspension or modification of the CUP's and business license. The Council may impose new conditions that are reasonably related to the impacts it seeks to address.

PROCEDURE

For the conduct of revocation hearings, the following outline should be followed:

Outline for Hearing

Opening Statement By Presiding Officer

1. Open Public Hearing and Explain Role of the City Council
2. Municipal Code/Legal Standard for Voiding/Revocation of CUP's and Business License
3. Announcement of Hearing Procedures
 - City Attorney Role
 - Evidentiary Standards to Follow

Opening Statements

1. Opening Statement By City Staff/Attorney (3 Minutes);
 2. Opening Statement by Applicant/Representative (3 Minutes)
- Presentation of Evidence/Witnesses by City

1. Presentation of Evidence/Witnesses by City Staff/Attorney;
2. Rebuttal Questions/Evidence from Applicant/Representative;
3. Questions from City Council

Presentation of Evidence/Witnesses by Applicant/Representative

1. Presentation of Evidence/Witnesses by Applicant/Representative;
2. Rebuttal Questions/Evidence from City Staff/Attorney;
3. Questions from City Council

Presentation/Testimony from Members of the Public

1. Receive Testimony from Members of Public;
2. Questions from City Council

Brief Closing Statements

1. Closing Statement from City Staff/Attorney (3 Minutes);
2. Closing Statement from Applicant/Representative (3 Minutes);

Close Public Hearing

City Council Discussion, Deliberation and Decision

As noted previously, staff believes that sufficient grounds and evidence exist to support voiding/revocation of these CUP's and business license. This information is presented in the attached Exhibit "A" and the Administrative Record, which is incorporated into this staff report by reference. Thus, staff believes that the information contained in the attached Exhibit "A" and the Administrative Record, coupled with the evidence to be presented by City staff provide a compelling case for voiding/revocation. If the Council so agrees, a copy of a Resolution voiding/revoking the CUP's and business license is attached for adoption as Exhibit "B".

RELEVANCE TO THE STRATEGIC PLAN

None.

EXHIBITS

Exhibit A: Summary of Violations of CUP's and business license

Exhibit B: Council **Resolution 10-6904** voiding/revoking CUP 87002, CUP 99-001 and Business License #027874.

Exhibit C: Administrative Record (provided to owners/operators of "The Well" bar, the City Council and on file with City Clerk's Office)

REVIEW TEAM ONLY

City Attorney:

City Manager:

Finance Director:

Other:


A handwritten signature, possibly "DL", is written inside a circle on the line next to the Finance Director label.

EXHIBIT "A"

I. The summary of violations for the revocation of the Business License #027874 include the following:

The business is contrary to, inimical to or jeopardizes the preservation of the public peace, safety or welfare of the City or its inhabitants and is detrimental to other properties or businesses in the vicinity, as set forth in Covina Municipal Code section 5.04.035(B).

A. There shall be a rebuttable presumption that a business enterprise, occupation or event is contrary to, inimical to or jeopardizes the public peace, safety or welfare if there have been at least six verified calls for response made to either the Covina police department or any other law enforcement agency pertaining to any criminal assault, battery, personal injury, vandalism or destruction of property, disturbance of the peace, or disorderly conduct which has occurred at the business enterprise, occupation or event, within any 90-calendar day period. (Covina Municipal Code section 5.04.035(B).)

From January of 2008 through August of 2010, the Well Bar has had at least 142 calls for service, including 65 officer-initiated, 34 citizen-initiated, and 45 location-initiated calls. Additional calls for service occurred in 2007 as well.

In many cases, there have been far in excess of six (6) calls for service in a 90-day period. Pursuant to Covina Municipal Code Section 5.04.035(B), this frequency of calls for service creates a rebuttable presumption that an establishment is carrying out business that is contrary to, inimical to or jeopardizes the preservation of the public peace, safety or welfare. The owners and operators of the Well Bar have failed to produce sufficient evidence to rebut this presumption.

In addition, one of these calls for service was related to an alleged rape that occurred on the premises. There are scores of other calls for service related to disturbances of the peace, public intoxication, vehicle offenses connected to alcohol intoxication and assaults/batteries. The severity of these calls for service further demonstrates that the operation of the Well Bar is contrary to, inimical to or jeopardizes the preservation of the public peace safety or welfare of the City and its inhabitants and is detrimental to other properties or businesses in the vicinity.

B. Additionally, the business is an unlawful business, or provides or sells a service or product that is illegal under the laws of the state of California and/or ordinances of the City of Covina.

Although City records indicate that the Business License for the Well Bar expired in 2008, it has continued to operate without a valid Business License since then.

Furthermore, a weeks-long undercover operation by the Covina Police Department—initiated by an anonymous citizen tip—has revealed that the establishment has been providing or selling the following illegal services and/or products:

1. *Several corporate officers, the manager and six waitstaff permitted, encouraged, participated in and/or sponsored weekly illegal Texas Hold'em poker matches—allegedly for charity, though no actual charitable purpose has been found—to occur on the premises, in violation of both State law and Covina Municipal Code Sections 9.20.010, 9.20.020, and 9.20.030. These individuals have also been criminally charged with illegal gambling.*

2. *The establishment has been operating as a "bikini bar" without a permit. At least six of the female waitstaff have engaged in such conduct and many more are suspected at this*

time. Such a use qualifies as an “adult cabaret” under Covina Municipal Code Section 9.30.020(A)(3) and requires an adult-oriented business regulatory permit.

3. *Several bikini-clad waitresses have offered and given massages to patrons—including undercover officers from the Covina Police Department—for money during the course of the illegal gambling tournaments. Again, massage uses require a massage permit pursuant to Covina Municipal Code Section 5.36.020. The establishment does not possess a valid massage permit.*

4. *Lastly, the establishment’s ABC Type 41 License allows for the sale of alcohol incidental to the operation of a small restaurant. The establishment’s Conditional Use Permit requires alcohol sales not to exceed 35% of gross sales. The owners and/or operators of the establishment have failed to provide documentation or reporting that supports this breakdown of food versus alcohol sales. To the contrary, the evidence demonstrates that the establishment is primarily a bar with only incidental food sales, which is the opposite type of operation allowed under its Type 41 License. Further, the evidence indicates that alcohol sales far exceed 35% of gross sales, in violation of the establishment’s Conditional Use Permit.*

II. The summary of violations supporting the voiding of Conditional Use Permit #87002 under Covina Municipal Code section 17.62.170 and / or revoking said Conditional Use Permit under Covina Municipal Code section 5.04.050 include the following:

A. The council may by resolution void any conditional use permit for noncompliance with the conditions set forth in granting the conditional use permit. (Covina Municipal Code section 17.62.170(A).)

Violation of condition #2 of Conditional Use Permit #87002: “The facility shall be primarily operated as a bona fide eating establishment. Incidental sale of beer and wine shall be permitted as an accessory use and shall not exceed 35% of the gross receipts.” Permittees have failed to demonstrate and report that sales of alcohol on the property are less than or equal to thirty-five percent (35%) of gross sales.

The owners and/or operators of the establishment have failed to provide documentation or reporting that supports this breakdown of food versus alcohol sales. To the contrary, the evidence demonstrates that the establishment is primarily a bar with only incidental food sales, which is the opposite type of operation allowed under its Type 41 License. Further, the evidence indicates that alcohol sales far exceed 35% of gross sales, in violation of the establishment’s Conditional Use Permit.

B. Any permit granted pursuant to the provisions of this code may be by the city council revoked or suspended as in its discretion may seem just and equitable, or for any reason for which the granting of such permit may be lawfully denied, including but not limited to the operation of a permitted business, occupation or event in a disorderly manner. (Covina Municipal Code section 5.04.050(A).)

1. Violation of Covina Municipal Code sections 9.20.010 (Gambling place – Keeping prohibited), 9.20.020 (Gambling place – Permitting operation prohibited), and 9.20.030 (Playing or betting at or against games).

Several corporate officers, the manager and six waitstaff permitted, encouraged, participated in and/or sponsored weekly illegal Texas Hold’em poker matches—allegedly for charity, though no actual charitable purpose has been found—to occur on the premises, in violation of both State

law and Covina Municipal Code Section 9.20.010. These individuals have also been criminally charged with illegal gambling.

2. Use of the property as an "adult cabaret," as defined in Covina Municipal Code section 9.30.020(A)(3), in violation of Covina Municipal Code section 9.30.030 (Adult-oriented business regulatory permit required.)

The establishment has been operating as a "bikini bar" without a permit. At least six of the female waitstaff have engaged in such conduct and many more are suspected at this time. Such a use qualifies as an "adult cabaret" under Covina Municipal Code Section 9.30.020(A)(3) and requires an adult-oriented business regulatory permit.

3. Multiple violations of Covina Municipal Code section 9.36.020 (Massage Parlor – Permit – Required.)

Several bikini-clad waitresses have offered and given massages to patrons—including undercover officers from the Covina Police Department—for money during the course of the illegal gambling tournaments. Again, massage uses require a massage permit pursuant to Covina Municipal Code Section 5.36.020. The establishment does not possess a valid massage permit.

4. Multiple violations of Covina Municipal Code section 9.54.010 (Disorderly conduct), to the extent that such violations constitute a public nuisance thereby endangering the health, safety, and general welfare of the community. For purposes of Covina Municipal Code section 5.04.050, there shall be a rebuttable presumption that any permitted business, occupation or event is being operated in a "disorderly manner" if there have been at least six verified calls for response made to either the Covina police department or any other law enforcement agency pertaining to any criminal assault, battery, personal injury, vandalism or destruction of property, disturbance of the peace, or disorderly conduct which has occurred at the permitted business, occupation or event, within any 90-calendar-day period. (Covina Municipal Code section 5.04.050(A).)

From January of 2008 through August of 2010, the Well Bar has had at least 142 calls for service, including 65 officer-initiated, 34 citizen-initiated, and 45 location-initiated calls. Additional calls for service occurred in 2007 as well.

In many cases, there have been far in excess of six (6) calls for service in a 90-day period. Pursuant to Covina Municipal Code Section 5.04.050(A), this frequency of calls for service creates a rebuttable presumption that the business is being operated in a disorderly manner. The owners and operators of the Well Bar have failed to produce sufficient evidence to rebut this presumption.

In addition, one of these calls for service was related to an alleged rape that occurred on the premises. There are scores of other calls for service related to disturbances of the peace, public intoxication, vehicle offenses connected to alcohol intoxication and assaults/batteries. The severity of these calls for service further demonstrates that the operation of the Well Bar is a public nuisance endangering the health, safety, and general welfare of the community.

III. The summary of violations supporting the voiding Conditional Use Permit #99-001 under Covina Municipal Code section 17.62.170 and / or revoking said permit under Covina Municipal Code section 5.04.050 include the following:

A. The council may by resolution void any conditional use permit for noncompliance with the conditions set forth in granting the conditional use permit. (Covina Municipal Code section 17.62.170(A).)

1. Violation of condition #1 of Conditional Use Permit #99-001: "The conditional use permit shall be in effect so long as five (5) game machines and one (1) karaoke machine are operated in conjunction with an existing small eating establishment with on-sale of beer and wine. When the subject use is replaced or is discontinued for a period of six (6) months, then the conditional use permit will lapse." Permittees have failed to maintain for the prior six (6) months: five (5) game machines and one (1) karaoke machine in connection with the operation of a small eating establishment.

During police operations, no gaming machines or karaoke machine have been in use in connection with the operation of the business. It appears that the business has abandoned such use.

2. Violation of condition #3 of Conditional Use Permit #99-001: "The Well shall be primarily operated as a bona fide eating establishment. Incidental sale of beer and wine shall be permitted as an accessory use and shall not exceed 35% of the gross receipts." Permittees have failed to demonstrate and report that sales of alcohol on the property are less than or equal to thirty-five percent (35%) of gross sales.

The owners and/or operators of the establishment have failed to provide documentation or reporting that supports this breakdown of food versus alcohol sales. To the contrary, the evidence demonstrates that the establishment is primarily a bar with only incidental food sales, which is the opposite type of operation allowed under its Type 41 License. Further, the evidence indicates that alcohol sales far exceed 35% of gross sales, in violation of the establishment's Conditional Use Permit.

3. Violation of condition #5 of Conditional Use Permit #99-001: "Any expansion of the applicant's use shall require a new conditional use permit." Permittees have improperly expanded use of the property without obtaining a new conditional use permit

The inclusion of gambling, bikini servers, for-pay massages, and alcohol beyond 35% of sales, separate and together represent expansions of the use of the property without obtaining all required permitting, in violation of Condition #5 of CUP #99-001.

4. Violation of condition #8 of Conditional Use Permit #99-001: "The applicant shall continue to comply with CUP 87-002."

Permittees have failed to comply with all terms and conditions of Conditional Use Permit #87002 as set forth in Section II above.

5. Violation of condition #9 of Conditional Use Permit #99-001: "Ordinance requirements not herein listed are still applicable."

Permittees have violated or have allowed to be violated, other provisions of the Covina Municipal Code as set forth in (B)(1), (2), (3), and (4) below.

B. Any permit granted pursuant to the provisions of this code may be by the city council revoked or suspended as in its discretion may seem just and equitable, or for any reason for which the granting of such permit may be lawfully denied, including but not limited to the operation of a permitted business, occupation or event in a disorderly manner. (Covina Municipal Code section 5.04.050(A).)

1. Violation of Covina Municipal Code sections 9.20.010 (Gambling place – Keeping prohibited), 9.20.020 (Gambling place – Permitting operation prohibited), and 9.20.030 (Playing or betting at or against games).

Several corporate officers, the manager and six waitstaff permitted, encouraged, participated in and/or sponsored weekly illegal Texas Hold'em poker matches—allegedly for charity, though no actual charitable purpose has been found—to occur on the premises, in violation of both State law and Covina Municipal Code Section 9.20.010. These individuals have also been criminally charged with illegal gambling.

2. Use of the property as an "adult cabaret," as defined in Covina Municipal Code section 9.30.020(A)(3), in violation of Covina Municipal Code section 9.30.030 (Adult-oriented business regulatory permit required.)

The establishment has been operating as a "bikini bar" without a permit. At least six of the female waitstaff have engaged in such conduct and many more are suspected at this time. Such a use qualifies as an "adult cabaret" under Covina Municipal Code Section 9.30.020(A)(3) and requires an adult-oriented business regulatory permit.

3. Multiple violations of Covina Municipal Code section 9.36.020 (Massage Parlor – Permit – Required.)

Several bikini-clad waitresses have offered and given massages to patrons—including undercover officers from the Covina Police Department—for money during the course of the illegal gambling tournaments. Again, massage uses require a massage permit pursuant to Covina Municipal Code Section 5.36.020. The establishment does not possess a valid massage permit.

4. Multiple violations of Covina Municipal Code section 9.54.010 (Disorderly conduct), to the extent that such violations constitute a public nuisance thereby endangering the health, safety, and general welfare of the community. For purposes of Covina Municipal Code section 5.04.050, there shall be a rebuttable presumption that any permitted business, occupation or event is being operated in a "disorderly manner" if there have been at least six verified calls for response made to either the Covina police department or any other law enforcement agency pertaining to any criminal assault, battery, personal injury, vandalism or destruction of property, disturbance of the peace, or disorderly conduct which has occurred at the permitted business, occupation or event, within any 90-calendar-day period. (Covina Municipal Code section 5.04.050(A).)

From January of 2008 through August of 2010, the Well Bar has had at least 142 calls for service, including 65 officer-initiated, 34 citizen-initiated, and 45 location-initiated calls. Additional calls for service occurred in 2007 as well.

In many cases, there have been far in excess of six (6) calls for service in a 90-day period. Pursuant to Covina Municipal Code Section 5.04.050(A), this frequency of calls for service creates a rebuttable presumption that the business is being operated in a disorderly manner. The owners and operators of the Well Bar have failed to produce sufficient evidence to rebut this presumption.

In addition, one of these calls for service was related to an alleged rape that occurred on the premises. There are scores of other calls for service related to disturbances of the peace, public intoxication, vehicle offenses connected to alcohol intoxication and assaults/batteries. The severity of these calls for service further demonstrates that the operation of the Well Bar is a public nuisance endangering the health, safety, and general welfare of the community.

EXHIBIT "B"

RESOLUTION NO. 10-6904

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA
VOIDING/REVOKING CONDITIONAL USE PERMIT NOS. 87002 AND 99-001 AND
REVOKING BUSINESS LICENSE #027874 FOR PROPERTY LOCATED AT 989 W. SAN
BERNARDINO ROAD (THE WELL BAR)

WHEREAS, on October 19, 2010, the Covina City Council initiated revocation proceedings for the conditional use permits and business license issued to The Well Bar located at 989 W. San Bernardino Road in Covina ("Subject Site"); and

WHEREAS, the conditional use permits previously approved for The Well Bar allowed it to sell beer and wine for on-site consumption in conjunction with a small eating establishment (CUP No. 87002) and to operate five (5) game machines and one (1) karaoke machine in conjunction with an existing small eating establishment with on-site sale of beer and wine (CUP No. 99-001). Additionally the operator has a business license which permits it to operate as a business under the Covina Municipal Code. All of these are collectively referred to as the "Applications"; and

WHEREAS, the City Council conducted two noticed public hearings at which City staff, The Well owners and operators and the public were allowed to present public testimony and evidence concerning the nuisance activities. At the conclusion of the public hearings, the City Council decided to formally void/revoke the Applications on November 2, 2010; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The Recitals set forth above are true and correct and are incorporated herein by reference.

SECTION 2. Voiding/Revocation of Conditional Use Permits and Business License. Based on the entire record before the City Council, all written and oral evidence presented, and the findings made in this Resolution, the City Council hereby voids/revokes the Applications.

SECTION 3. Conditional Use Permit (Voiding/Revocation) Findings. The City Council hereby finds, by a preponderance of the evidence, that the violations listed in Exhibit "A" to that certain Agenda Item Commentary, dated November 2, 2010, are true and support the voiding/revocation of Conditional Use Permits #87002 and #99-001. The City Council further finds that the voiding/revocation of the Conditional Use Permits complies with Sections 17.62.170 and 5.04.050 of the Covina Municipal Code.

SECTION 4. Business License (Revocation) Findings. The City Council hereby finds, by a preponderance of the evidence, that the violations listed in Exhibit "A" to that certain Agenda Item Commentary, dated November 2, 2010, are true and support the revocation of Business License #027874. The City Council further finds that the revocation of the Business License complies with Section 5.04.035 of the Covina Municipal Code.

SECTION 5. Certification of Resolution. This Resolution shall become effective immediately upon its adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 2nd day of November, 2010.

Peggy Delach, Mayor

ATTEST:

Toni Taber, City Clerk

CITY OF COVINA

AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: PH 1

STAFF SOURCE: Robert Neiuber, Director of Community Development
Lisa Brancheau, Redevelopment Manager

ITEM TITLE: Public Hearing of 2010 Annual Report for the Covina Downtown Business Area Enhancement District and Proposed Assessment

STAFF RECOMMENDATION

- a. Conduct the public hearing of the 2010 Annual Report for the Covina Downtown Business Area Enhancement District and Proposed Assessment; and
- b. Adopt **Resolution No. 10-6900**, of the City Council of the City of Covina confirming the 2010 Annual Report for the Covina Downtown Business Area Enhancement District and levying the assessment described therein.

FISCAL IMPACT

There is no impact to the General Fund. A match of \$7,500 to be issued to the Covina Downtown Association (CDA) will come from CRA account no. 5021-4650-00-53785.

BACKGROUND

At the City Council meeting of October 19, 2010, Council was presented with the Annual Report for the 2010 Covina Downtown Business Area Enhancement District (BAED). The Report was approved and a resolution was adopted expressing the City Council's intention to levy an annual assessment for the fiscal year 2010-11.

The adopted Resolution established a date of November 2, 2009 for a public hearing on this assessment.

Legal requirements for the continuation of this agreement obligate the City to:

- 1) Approve the Annual Report
- 2) Adopt a resolution of intention to levy an annual assessment
- 3) Hold a public hearing on this assessment
- 4) Adopt a resolution confirming the Annual Report




The previous meeting satisfied the first two of these requirements. The second two items are being addressed at this meeting.

RERELEVANCE TO STRATEGIC PLAN

Providing funding to aid in the promotion, marketing, and maintenance of downtown is in keeping with the Strategic Planning goal of Enhancing Financial Stability.

EXHIBITS

- A. Business Area Enhancement District Annual Report
- B. Resolution No. 10-6900

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

**COVINA DOWNTOWN ASSOCIATION
143 N. CITRUS AVE.
COVINA, CA. 91723**

October 4, 2010

Lisa Brancheau
City of Covina
125 East College Street
Covina, California 91723

RE: Benefit Area Enhancement District

Dear Lisa,

The Board of Directors of the Covina Downtown Association has prepared the following report in order to levy BAED assessment in the Downtown area for the year 2011.

1. Boundary Changes

The Board of Directors request no changes in the boundaries of the BAED district at this time.

2. Planned Activities for 2011

The Board of Directors has adopted a plan for the fiscal year 2011 which includes continued print and direct mail advertising, promoting the Downtown shopping experience through our website and directories, light pole banner program, continuation of our sidewalk and alleyway maintenance program, and the lighting of the trees on Citrus Avenue.

3. Projected budget for 2011 fiscal year

Our budget for the fiscal year 2011 will be \$46,850.00 with estimated \$15,000.00 coming from the BAED assessment and matched funds. We have budgeted 80% to advertising and promotional events, 15% to sidewalk and tree maintenance, , 3% for the Covina.com website, and 2% for operating expenses.

4. Method of levying Assessment

The fiscal assessment would be the same as in past years at \$125.00 per business. The Board respectfully requests that the City match these funds, as in the past.

**COVINA DOWNTOWN ASSOCIATION
143 N. CITRUS AVE.
COVINA, CA. 91723**

5. Carryover Revenues

Our 2010 fiscal budget will fund all of the CDA activities, leaving an estimated \$1800.00 to begin the next fiscal year.

6. Outside Contributions

We will continue to solicit associate members, using Puente Street to the railroad track, and Second Street to Fourth Avenue as our perimeters for the district. We will continue to maintain the Citrus Avenue banner program to bring in additional funds to supplement our assessments.

On Behalf the Covina Downtown Association, I would like to thank the City for your continued support of our activities in the Downtown area.

Respectfully submitted,

George Peterson

President
Covina Downtown Association

RESOLUTION NO. 10-6900

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF COVINA CONFIRMING THE 2010 ANNUAL REPORT
FOR THE COVINA DOWNTOWN BUSINESS AREA
ENHANCEMENT DISTRICT AND LEVYING THE
ASSESSMENT DESCRIBED THEREIN.**

WHEREAS, the City Council has previously established the Covina Downtown Business Area Enhancement District (the "BAED"), created pursuant to the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code, Sections 36500 et seq.), and;

WHEREAS, the City Council desires to continue the BAED by levying the annual assessment permitted by the Ordinance, which established the BAED; and

WHEREAS, in accordance with State law, the City Council has previously conducted a public hearing to consider the annual report on the BAED; and

WHEREAS, the City Council did pass the resolution of intention to levy an annual assessment for the fiscal year 2010-2011 in the Covina Downtown BAED.

NOW, THEREFORE, the City Council of the City of Covina, California, does hereby resolve as follows:

SECTION 1. The City Council of the City of Covina does hereby confirm the annual report for the Covina Downtown BAED for 2010.

SECTION 2. In accordance with California Streets and Highways Code section 36535(c), the adoption of this resolution shall constitute the levy of the assessment for the fiscal year 2010-2011 in the BAED, as described in the resolution of intention.

SECTION 3. The City Clerk shall certify as to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

APPROVED AND ADOPTED this 2nd day of November, 2010.

CITY OF COVINA

Peggy Delach, Mayor

Attest:

City Clerk

Approved as to form:


Attorney

CITY OF COVINA

AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: PH 2

STAFF SOURCE: Robert Neiuber, Director of Community Development 

ITEM TITLE: Public Hearing of 2010 Annual Report for the Prospero Park Business Area Enhancement District and Proposed Assessment

STAFF RECOMMENDATION

- a. Conduct the public hearing of the 2010 Annual Report for the Prospero Park Business Area Enhancement District and Proposed Assessment; and
- b. Adopt **Resolution No. 10-6903** confirming the 2010 Annual Report for the Prospero Park Business Area Enhancement District and levying the assessment described therein.

GENERAL FUND IMPACT

None at this time.

BACKGROUND

At the City Council meeting of October 5, 2010, Council was presented with the Annual Report for the 2010 Prospero Park Business Area Enhancement District (BAED). The Report was approved and a resolution was adopted expressing the City Council's intention to levy an annual assessment for the fiscal year 2010-11.

The adopted Resolution established a date of November 2, 2010 for a public hearing on this assessment.

Legal requirements for the continuation of this agreement obligate the City to:

- 1) Approve the Annual Report
- 2) Adopt a resolution of intention to levy an annual assessment
- 3) Hold a public hearing on this assessment
- 4) Adopt a resolution confirming the Annual Report

This previous meeting satisfied the first two of these requirements. The second two items are being addressed at this meeting.

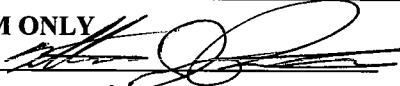
RELEVANCE TO THE STRATEGIC PLAN

Providing maintenance and upkeep to the common public areas of the Prospero Park area helps to "Enhances the City's Financial Stability" in that it helps to maintain property values and reduces additional general fund costs that might have to be expended to provide clean-up services.

EXHIBITS

- A. Business Area Enhancement District Annual Report
- B. Resolution No. 10-6903

REVIEW TEAM ONLY

City Attorney: 

City Manager: 

Finance Director: 

Other: _____

PROSPERO PARK OWNER'S ASSOCIATION, INC.

ANNUAL REPORT 2010 -- PROSPERO PARK OWNER'S ASSOCIATION Business Area Enhancement District

1. Boundary Changes

The Board of Directors will request no changes to the boundaries of the Prospero Park Area.

2. 2009 Activities

The Board of directors plans a similar distribution of funds for the 2011 fiscal year. The funds are currently being used for bulk item pickup by Covina Disposal, the Covina Night Out Against Crime block party, monthly newsletter, eradicating graffiti and liability insurance.

To further help in the eradication of graffiti in the Prospero Park area the association has contracted with Urban Graffiti Enterprises to canvas the area on a bi-weekly basis and remove tagging on all properties that have given permission to enter the premise to do work.

A web page has been designed to advertise apartment vacancies in the Prospero Park area. It is now available to Prospero Park Owners.

3. Projected Costs for 2011

Presently we do not know the exact number of owners that will participate in the association. With the information we have we estimate our budget for the year 2011 to be \$9,000.00 plus approximately \$11,500.00 to be carried over from year 2010. A copy of the proposed budget is enclosed.

4. Method of levying assessment

The 2011 assessment will be \$125.00 per business in the BAED district. This is the same assessment as in 2010..

5. Surplus/Deficit

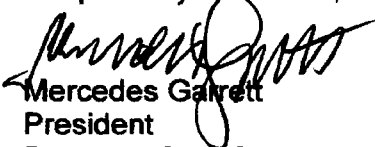
Currently we project \$11,500.00 to be left in the Association fund through December 31, 2010. All budgeted expenses are covered prior to our receiving new owner's dues for 2011.

6. Outside funding

The Apartment Owners Association Board should receive approximately \$1,000.00 from vendors advertising in our monthly newsletter. We have also changed our checking account to an interest bearing account which should produce an additional \$100.00 annually. The only other source of income would be possible matching funds from the City of Covina.

On behalf of the owners in the Prospero Park Owner's Association, Inc we thank you for all your support and look forward to a strong relationship with the City of Covina.

Respectfully submitted,



Mercedes Garrett
President

Prospero Park Owner's Association, Inc.

City of Covina Letter 2011 BAED

PROSPERO PARK OWNER'S ASSOCIATION, INC

**PROPOSED BUDGET FOR FISCAL YEAR 2011
JULY 1, 2010 TO JUNE 30, 2011**

INCOME	Owner's Dues	\$7,900.00
	Vendor advertising in newsletter	1,000.00
	Monthly interest on checking account	<u>100.00</u>
		\$9,000.00

EXPENSES

Postage (Monthly mailer)	\$ 500.00
Stationary	400.00
P.O. Box 4632	45.00
Insurance	1,155.00
Accountant	250.00
Legal fees	300.00
Bulk item pick-up	2,500.00
Covina Night out against crime	750.00
Urban Graffiti Enterprise	3,000.00
Web page maintenance	100.00

TOTAL EXPENSES	\$9,000.00
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Prospero Park Budget 2011

RESOLUTION NO. 10-6903

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COVINA CONFIRMING THE 2010 ANNUAL REPORT FOR
THE PROSPERO PARK BUSINESS AREA ENHANCEMENT
DISTRICT AND LEVYING THE ASSESSMENT DESCRIBED
THEREIN.

WHEREAS, the City Council has previously established the Prospero Park Business Area Enhancement District (the "BAED"), created pursuant to the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code, Sections 36500 et seq.), and;

WHEREAS, the City Council desires to continue the BAED by levying the annual assessment permitted by the Ordinance, which established the BAED; and

WHEREAS, in accordance with State law, the City Council has previously conducted a public hearing to consider the annual report on the BAED; and

WHEREAS, the City Council did pass the resolution of intention to levy an annual assessment for the fiscal year 2010-2011 in the Prospero Park BAED.

NOW, THEREFORE, the City Council of the City of Covina, California, does hereby resolve as follows:

SECTION 1. The City Council of the City of Covina does hereby confirm the annual report for the Prospero Park BAED for 2010.

SECTION 2. In accordance with California Streets and Highways Code section 36535(c), the adoption of this resolution shall constitute the levy of the assessment for the fiscal year 2010-2011 in the BAED, as described in the resolution of intention.

SECTION 3. The City Clerk shall certify as to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

PASSED, APPROVED AND ADOPTED this 2nd day of November, 2010.

CITY OF COVINA

Peggy Delach, Mayor

Attest:

City Clerk

Approved as to form:

City Attorney

CITY OF COVINA

AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: NB 1

STAFF SOURCE: Steve Henley, Director of Public Works
Kalieh Honish, Assistant Director of Public Works
Vivian Castro, Environmental Services Manager



ITEM TITLE: Solid Waste Disposal Proposal from Athens Services

STAFF RECOMMENDATION

Approve the proposal from Athens Services in concept and direct staff to draft amendments to the Refuse Collection Exclusive Franchise Agreement to reflect the proposal.

FISCAL IMPACT

The cost of transporting and disposing of the City's municipal waste, green waste, and construction and demolition debris is expected to increase after the closure of the Puente Hills Landfill in 2013. These potentially significant increases could have a negative fiscal impact on the City and residential and commercial refuse customers. Partnering with Athens Services to develop stabilized alternative disposal methodologies would enhance the community's fiscal stability while reducing waste processing, transportation and disposal costs.

If the proposal from Athens Services is adopted by the Council as recommended in this staff report, City accounts would be impacted as follows for the specified year(s):

- Increased revenues in 1010-0000-00-40880 by \$2,000,000.00 for 2010-11.
- Increased revenues in 1010-0000-00-40880 by \$200,000.00 for 2010-11 and yearly thereafter as long as proposed rolling term remains in effect.
- Revenues and expenditures for street sweeping, 6200-5580-00-46315 and 6200-5540-00-52412 respectively, would be readjusted by an undetermined sum in 2010-11 and thereafter as a result of incorporation of street sweeping into the proposed amendments to the Refuse Collection Exclusive Franchise Agreement. Those amendments would include adjusting for CPI and landfill tipping fee increases. Under the existing contract, neither CPI nor tipping fee adjustments are provided.
- Decreased revenues in 6200-5580-00-41990 by \$375 for 2010-11 and yearly thereafter if fee for service recycling permits issued decrease.

BACKGROUND

On October 5, 2010, the Council reviewed the solid waste disposal options that are expected to be available to the City after the closure of the Puente Hills Landfill in 2013. The existing options are likely to increase the cost of transporting and disposing of the City's municipal waste, green waste, and construction and demolition debris after the closure of the Puente Hills Landfill in 2013.

At that time, the Council directed staff to look into and report on possible alternative disposal opportunities available in partnership with the City's licensed solid waste hauler, Athens Services, in light of Athens' acquisition of American Organics (a composting facility) and its planned construction of a new materials recovery facility (MRF) in Irwindale. In addition, staff was directed to provide the estimated refuse rates for Covina customers for 2013-14, when the waste-by-rail system is in effect. Those rates are found in Exhibit A.

As requested by the City Council, staff conferred with Athens Services regarding the City's projected disposal and diversion needs. The City asked that Athens propose alternatives to help Covina achieve the following goals:

- Reduce waste processing, transportation, disposal and diversion costs.
- Improve residential refuse account servicing and stabilize refuse rates.
- Improve the community's financial stability.
- Support the City's efforts to comply with state solid waste mandates, including required construction and demolition debris recycling.
- Facilitate appropriate disposal of solid waste to minimize the detrimental impact of improper disposal on the environment.

The major provisions of Athens' proposal are found in Exhibit B. Athens proposes a partnership that would amend the Refuse Collection Exclusive Franchise Agreement to provide Covina improved access to nearby materials recovery (MFR) and composting facilities and refuse services.

The proposal would make available disposal, processing and diversion options that would help minimize the impact of tipping fee increases and high transportation costs on the refuse rates paid by Covina residents and businesses. In addition, the Covina community would benefit from the additional financial resources that would be provided. By extending the Refuse Collection Exclusive Franchise Agreement by an additional 12 years, the proposal would support Athens' effort to obtain financing that will allow it to build a MRF facility that will be critical to the City's ability to address its solid waste needs in the future.

RELEVANCE TO THE STRATEGIC PLAN

By proposing to partner with Athens Services to provide alternative, cost-controlled solid waste disposal and diversion capabilities, this item supports the City's goals of enhancing financial stability and becoming an environmentally sustainable community.

EXHIBITS

- A. Estimated 2013-14 Refuse Rates For Covina Customers Under Waste-By-Rail System.
- B. Major Provisions of Proposed Partnership with Athens Services to Meet Covina's Solid Waste Disposal Needs.



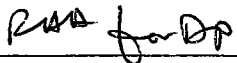
REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

EXHIBIT A
ESTIMATED 2013-14 REFUSE RATES FOR COVINA CUSTOMERS
UNDER WASTE-BY-RAIL SYSTEM

Year	Residential Basic Service (monthly rate)	Commercial Basic Service (3CY serviced once per week, monthly rate)
2010-11	\$25.62	\$145.38
2013-14	\$33.95	\$162.79

Assumptions

- Annual CPI increase of 2.79% (8.37% increase from 2010-11 to 2013-14).
- 2009-10 service levels and disposal tonnages.
- Waste-By-Rail per ton tipping fee of \$54.43 by 2013 and \$61.49 by 2014.
- Athens MRF gate fee continues to be based on Puente Hills/Waste-By-Rail per ton tipping fee.
- No changes to the Exclusive Franchise Agreement with Athens.
- Diesel prices remain stable at 2010 rate.
- Does not incorporate “true-up” provision.

EXHIBIT B
MAJOR PROVISIONS OF PROPOSED PARTNERSHIP WITH ATHENS SERVICES
TO MEET COVINA'S SOLID WASTE DISPOSAL NEEDS

Increase Diversion Options

- Athens to provide weekly residential recycling pickup without increasing service fees. This will facilitate recycling for residents and will increase the City's diversion rate.
- Athens to provide for composting of green waste at Athens Services' American Organics facility at a rate between the lowest to average for comparable processing.
- Athens to provide a pilot food waste composting program.
- Athens to provide C&D processing and recycling through the Athens C&D MRF at a rate that is between the lowest to average for comparable processing.
- Athens to provide indemnification for the state-mandated 50% diversion rate or equivalent.
- Athens is planning to increase its capacity to process the City's waste through its MRF as a result of the proposed construction of a new facility in Irwindale.

Facilitate Appropriate Disposal

- Athens to provide free multi-family bulky waste pick up. Residential multi-family customers are currently required to pay \$25 for the first item and \$15 for additional bulky items to be picked up by Athens. In some cases, apartment renters will illegally dump these items in the public right-of-way to avoid paying the fee. By providing bulky item pickup at no additional cost to all residential customers, staff expects illegal dumping to decrease, thus reducing the burden on Streets Division staff and improving the City's appearance.
- Athens to provide 35 roll-offs annually for City clean-up events. By providing clean up events throughout the City, staff expects illegal dumping to decrease, thus reducing the burden on Streets Division staff and improving the City's appearance.
- Athens to provide an annual contribution of \$10,000.00 to City for projects that promote beautification and cleanliness in Covina.

Improve Account Servicing

- Athens to provide residential billing on a quarterly basis. Athens will charge residential customers according to a schedule to be phased in over four years as follows:

Year 1	\$0.22 per residential account, per month
Year 2	\$0.44 per residential account, per month
Year 3	\$0.66 per residential account, per month
Year 4 and thereafter	\$0.88 per residential account, per month

The 2010-11 refuse rates were calculated to include a residential billing fee of \$0.67 per month. With Athens taking over residential billing, for 2010-11, the monthly billing fee will be reduced to \$0.22 per month, for a savings of \$0.45 per residential customer per month. As a result of the billing fee decrease, the monthly franchise fee will drop by \$0.03 per month. Monthly refuse rates for residential basic service customers will, therefore, drop \$0.48 to \$25.14. For the average residential customer, this amounts to \$5.76 in savings a year.

Increase Community's Financial Stability

- Athens to provide a cash payment to the City in the amount of \$2,000,000.00
- Athens to provide annual payments to the City in the amount of \$200,000.00 as long as the proposed 20 year rolling term of the Exclusive Franchise Agreement remains in effect.

Additional Provisions

- Extend rolling term provision of contract from current eight years to twenty years.
- Incorporate street sweeping into the Exclusive Franchise Agreement with provisions for CPI and landfill rate adjustments. The street sweeping contract expires June 30, 2011. Expenditures for street sweeping in 2009-10 were \$139,228.00. Athens estimates that this amount is 30% under the market rate.
- Incorporate the processing of residential recyclables into the Exclusive Franchise Agreement. Currently, the Agreement for Processing Residential Commingled Recyclable Materials is a separate contract that can be terminated with thirty days written notice.
- Eliminate third party recycling except as permitted by law. For 2010-11, there are five fee-for-service recyclers permitted in Covina.
- Simplify the annual rate adjustment formula and the monthly disposal and recycling reporting requirements.

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: NB 2

STAFF SOURCE: Martha Heaviside, Deputy City Clerk's Office *MT*

ITEM TITLE: Appointment to the Covina Library Board of Trustees

STAFF RECOMMENDATION

Appoint one applicant to the Covina Library Board of Trustees.

FISCAL IMPACT

None

BACKGROUND

The purpose of the Covina Library Board of Trustees is to advise the City Council and the Library Director on matters related to the Library Policy and Operations. The Library Department also provides staffing support to the Commission.

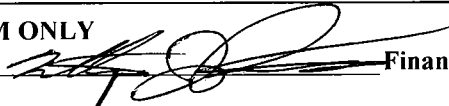
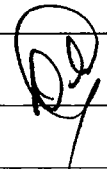
RELEVANCE TO THE STRATEGIC PLAN

This item has no direct relevance to the strategic plan.

EXHIBITS

- A. List of terms expiring and qualifications for appointment
- B. 2010 recruitment advertisement
- C. Covina Library Board of Trustees application for Nancy Guest
- D. Covina Library Board of Trustees application for Sally Arroyo

REVIEW TEAM ONLY

City Attorney:  Finance Director: 

City Manager:  Other: _____

**Boards and Commissions
Term Appointments and Expirations
2010-2011**

Last Name	First Name	First Appointed	Term Begins	Term Ends	LG 101
Board of Appeals (2 year term)					
<i>Member of the Planning Commission to hear administrative appeals of building official decisions Ord No. 05-1921.</i>					
Hodapp	Charles	01-Nov-05	01-Jul-09	30-Jun-11	
McMeekin	Dan	01-Nov-05	17-Nov-09	30-Jun-11	
Patterson	Win	21-Aug-07	01-Jul-09	30-Jun-11	
Community Recognition Policy Committee (2 year term)					
<i>One Council Representative, and One Boards & Commissions Representative</i>					
King	John	21-Jun-05	03-Nov-09	30-Jun-11	
White	Anita C.	03-Nov-09	03-Nov-09	30-Jun-11	
Cultural Arts Advisory Committee (3 year term)					
<i>cultural environment; support / encourage the arts, heritage and creativity of all citizens.</i>					
Castillo	Gary	19-Jun-07	01-Jul-07	30-Jun-10	Completed
Ennis	Kathryn	05-Oct-10	01-Jul-10	30-Jun-13	
Feldheim	Fred	05-Mar-02	01-Jul-09	30-Jun-12	
Hall	Ann	05-Oct-01	01-Jul-10	30-Jun-13	
Hernandez	Andres	05-Oct-01	01-Jul-10	30-Jun-13	
Lopez-Martinez	Aydee	06-Jul-10	01-Jul-10	30-Jun-13	
Orso	Robert	01-Sep-09	01-Sep-09	30-Jun-12	
Santana	Stuart	19-Jun-07	01-Jul-07	30-Jun-10	Completed
Tucker	Jared	01-Jul-08	01-Jul-08	30-Jun-11	
Historic Preservation Board (4 year term)					
<i>(*5 Planning Commissioners)</i>					
Chadwick *	George	19-Jun-07	01-Jul-07	30-Jun-11	No
Conners*	John	02-Sep-08	02-Sep-08	30-Jun-12	
Hodapp *	Charles	02-May-00	01-Jul-09	30-Jun-13	Completed
McMeekin *	Daniel	03-Oct-06	01-Jul-07	30-Jun-11	No
Patterson *	Win	01-Jul-05	01-Jul-09	30-Jun-13	Completed
VACANT			01-Jul-10	30-Jun-14	
VACANT			01-Jul-10	30-Jun-14	
Housing and Community Development (4 year term)					
<i>(age, gender, race, income, etc.)</i>					
Castro	Don	19-Aug-03	01-Jul-10	30-Jun-14	No
Dolfi	Kimberley	16-Sep-08	16-Sep-08	30-Jun-12	
Fern	Charles "Mike"	06-Sep-05	16-Sep-08	30-Jun-12	Completed
Fox	Marilyn "Mickey"	19-Aug-06	01-Jul-10	30-Jun-14	
Hernandez	Jennifer	16-Sep-08	16-Sep-08	30-Jun-12	
King	Marian	06-Jun-00	16-Sep-08	30-Jun-12	No
Manning	Kay	06-Jun-06	01-Jul-10	30-Jun-14	Completed
VACANT			01-Jul-10	01-Jul-14	
VACANT			01-Jul-10	01-Jul-14	

**Boards and Commissions
Term Appointments and Expirations
2010-2011**

Last Name	First Name	First Appointed	Term Begins	Term Ends	LG 101
Library Board of Trustees (3 year term)					
<i>Covina resident: Library or educational: experience desirable.</i>					
Feldheim	Fred	01-Jul-95	01-Jul-10	30-Jun-13	Completed
Gainor	Eugenia	06-Jun-06	01-Jul-09	30-Jun-12	Completed
Kemp	Charles M.	06-Jul-10	01-Jul-10	30-Jun-13	
Lewis	Alvin	19-Aug-03	01-Jul-08	30-Jun-11	No
VACANT					
Parking Place Commission (3 year term)					
<i>Owner or lessee of property within the District or an officer, employee or agent leasing within the District.</i>					
Johnson	Jeffrey	01-Jul-99	01-Jul-08	30-Jun-11	Completed
Rajcic	Valerie	07-Sep-99	01-Jul-07	30-Jun-10	No
VACANT			01-Jul-10	30-Jun-13	
Personnel Advisory Board (4 year term)					
<i>Covina resident that does not hold a salaried position with the City.</i>					
Cobbett	Geoffrey	02-Sep-08	01-Jul-09	13-Jun-13	Completed
Pierce	Glen	16-Jan-96	02-Sep-08	30-Jun-12	Completed
Rader	Kevin F.	03-Oct-06	01-Jul-07	30-Jun-11	Registered
Ramirez	Leona	19-Aug-03	01-Jul-07	30-Jun-11	
VACANT					
Planning Commission (4 year term)					
<i>Covina resident - Land use development and/or architectural background desirable.</i>					
Chadwick	George	01-Jul-07	01-Jul-07	30-Jun-11	No
Connors	John	02-Sep-08	02-Sep-08	30-Jun-12	Completed
Hodapp	Charles	02-May-00	01-Jul-09	30-Jun-13	Completed
McMeekin	Dan	03-Oct-06	01-Jul-07	30-Jun-11	No
Patterson	Win	01-Jul-05	01-Jul-09	30-Jun-13	Completed
Traffic Advisory Committee (3 year term)					
<i>CVUSD rep (d): 1 Covina Resident/Engineer (e)</i>					
Cobbett (a)	Geoffrey	06-Jun-88	01-Jul-08	30-Jun-11	Completed
Conner (a)	Audrey	20-Jun-00	01-Jul-09	30-Jun-12	
Johnson (?)	Jeffrey	02-Jun-09	01-Jul-09	30-Jun-12	Completed
Manning (a)	Kay	06-Jun-06	01-Jul-09	30-Jun-12	Completed
McMeekin (d)	Dan	16-Jan-96	01-Jul-07	30-Jun-10	No
Melendrez (c)	Thomas	21-May-92	01-Jul-09	30-Jun-12	Completed
Prescott (b)	Bill	21-Jun-04	01-Jul-08	30-Jun-11	No
VACANT (e)			01-Jul-10	30-Jun-13	
Youth Accountability Board (2 year term)					
<i>offense.</i>					
Butterworth	John	01-Jul-08	01-Jul-10	30-Jun-12	Completed
Manning	Kay	19-Jun-07	01-Jul-09	30-Jun-11	Completed
Medina	Henry	19-Jun-07	01-Jul-09	30-Jun-11	Completed
Medina	Roxanne	03-Oct-06	01-Jul-09	30-Jun-11	Completed
Nichols	Barbara	19-Jun-07	01-Jul-09	30-Jun-11	Completed
White	Anita C.	01-Mar-05	01-Jul-09	30-Jun-11	Completed
VACANT			01-Jul-10	30-Jun-12	
VACANT			01-Jul-10	30-Jun-12	
VACANT (alt.)			01-Jul-10	30-Jun-12	
VACANT (alt.)			01-Jul-10	30-Jun-12	



COMMUNITY INVOLVEMENT OPPORTUNITIES
ANNUAL MEMBERSHIP RECRUITMENT
CITY BOARDS, COMMISSIONS AND COMMITTEES

NOTICE IS GIVEN that the City of Covina is currently accepting applications from interested Covina citizens to serve as volunteers on the following City boards, commissions and committees which have membership terms expiring on June 30, 2010:

CULTURAL ARTS ADVISORY COMMISSION
HISTORIC PRESERVATION BOARD
HOUSING & COMMUNITY DEVELOPMENT ADVISORY COMMITTEE
PARKING PLACE COMMISSION
TRAFFIC ADVISORY COMMITTEE
YOUTH ACCOUNTABILITY BOARD

Information regarding the qualifications for appointment and application procedures can be obtained by interested citizens in the City Clerk's office at City Hall, 125 East College Street, Covina, between the hours of 8:00 a.m. and 5:00 p.m. Monday through Thursday, or you may telephone the City Clerk's office at (626) 384-5430 during business hours.

The City Clerk's office will accept applications until the positions have been filled. Applications received will be submitted to the City Council and/or Mayor for consideration.

Martha Heaviside
Deputy City Clerk

Publish: July 29, 2010, August 5, 2010, August 12, 2010 and August 19, 2010
in the San Gabriel Valley Examiner

CITY OF COVINA

BOARD, COMMISSION AND COMMITTEE MEMBER
CANDIDATE APPLICATION

RECEIVED

COVINA CITY CLERK

JUN 29 AM 10:01

INSTRUCTIONS: Complete this application and return it to the City Clerk's Department, 125 East College Street, Covina, CA 91723,
NO LATER THAN: **Thursday, May 13, 2010**

If you have any questions, please telephone the City Clerk Department at (626) 384-5430. Please TYPE or PRINT clearly in ink.

BOARD, COMMISSION OR COMMITTEE: LIBRARY BOARD OF TRUSTEES

Your Name: Nancy Guest

Home Address: 718 W Palm Dr Covina 91722

Business Address: _____

Home Telephone No: (626) 946-7742 Cell _____ Business Telephone No: (626) 848-2300 * ^{1st choice}

Occupation: Retired educator

Why do you wish to serve the City? I am only 56 and recently retired from 30 years in public education as a teacher, principal and District Office Admin.

What experience or education have you had relative to this field of concern? and have much experience improving school libraries and parent participation in education!!!!

What other City boards, commissions or committees have you served? Many educational committees over the years, but none lately. I was a 3rd party advocate when CVUSD made

To what civic service organizations do you belong? 6th and part of the middle schools to facilitate class size reduction about 14 years ago!

How did you become interested in this field of concern? Over the past two years I have been disappointed in our library's lack of meeting the needs of patrons and have ideas to improve outreach and service.

Will you be able to attend all meetings of the City Council? Yes ☒ No _____

(If NO, please explain) I have lived in Covina since 1977

Are you a registered voter? Yes ☒ No _____

Are you willing to file a State financial disclosure statement as required? Yes ☒ No _____

Are you able and willing to complete the Local Government 101 requirements? Yes ☒ No _____

(If NO, please explain) *I started once before, but could not complete due to my mother's health.

Is an application for a re-appointment? Yes _____ No ☒

Nancy Guest
Signature of Applicant

Dated: May 29 2010

Revised 04/16/2010

Thanks for your consideration!

EXHIBIT C

**City of Covina
Board, Commission and Committee Member
Candidate Application**

Board, Commission or Committee: Library Board of Trustees

Name: Sally Rich Arroyo

Home Address: 218 W. Center Street, #D, Covina, CA 91723

Business Address: —

Home Telephone: (626) 966-4880 **Business Telephone:** —

Occupation: Retired Director of College Relations and Graphic Designer, Harvey Mudd College, Claremont, Calif.

Why do you wish to serve the City? A large city with small town charm, Covina is unique in the many services and programs that it offers its residents, particularly a wonderful city library. Now, with a little bit of free time, I want to "repay" those city programs, in particular the city library, which has given me and many others so much joy. I want to help Covina support the library.

What experience or education have you had relative to this field of concern? Since my retirement, I have joined the Board of The Friends of the Covina Public Library and volunteered for many of The Friends events such as the book sales, music programs and book reading groups. I am a member of The Friends membership committee as well as chair of the recently formed book rental committee. I also volunteer at the library for many different programs such as the literacy program and children's programming.

What other City boards, commissions or committees have you served? None.

To what civic service organizations do you belong? None. Prior to my retirement my work and my career left little time for any participation in any civic organizations.

How did you become interested in this field of concern? I earned a B.A. from Union College and have a life-long love of learning which led me to a career in administration at Harvey Mudd College, a member of The Claremont Colleges. I have been an avid library user since I was a toddler and this has continued through my adulthood. Libraries have been so much a part of my life that they have determined where I have studied and lived.

Will you be able to attend all meetings of the City Council? Yes.

Are you a registered voter? Yes.

Are you willing to file a State financial disclosure statement as required? Yes.

Are you able and willing to complete the Local Government 101 requirements? Yes.

Is an application for re-appointment? No.


Signature of Applicant

Dated: *July 1, 2010*

EXHIBIT D

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: November 2, 2010

ITEM NO.: CB 1

STAFF SOURCE: Steve Henley, Public Works Director
Alex Gonzalez, Senior Management Analyst



ITEM TITLE: Renew Business License and Certificate of Public Convenience and Necessity for Southern California Transportation, D.B.A. Yellow Cab Company of San Gabriel Valley.

STAFF RECOMMENDATION

Direct the Finance Department to renew a Business License and update the Certificate of Public Convenience and Necessity in accordance with Chapter 5.44 of the Covina Municipal Code for Southern California Transportation, D.B.A. Yellow Cab Company of San Gabriel Valley.

FISCAL IMPACT

None.

BACKGROUND

This item was continued from the City Council meeting of October 5, 2010 due to questions that arose during public comment concerning Yellow Cab Company of San Gabriel Valley's incorporation status. The item was also continued from the City Council meeting of October 19, 2010 when the meeting agenda title did not match with the item title. Yellow Cab Company of San Gabriel Valley is a subsidiary of Southern California Transportation, which staff verified is a licensed and active corporation in the State of California (Exhibit A).

Southern California Transportation used to be known as "Southern California Transcorp." In fact, in 2009 Southern California Transcorp obtained a certificate of public convenience and necessity to operate in the City of Covina as Yellow Cab Company of San Gabriel Valley. Southern California Transcorp changed their name to Southern California Transportation last year after similar confusion about their corporate status arose. If you will recall, in February of 2009 Yellow Cab Company of San Gabriel Valley applied for its initial Certificate of Public Convenience and Necessity with the City. During consideration of their certificate, questions arose concerning their corporate status. Staff subsequently determined that they were authorized to conduct business in California (Exhibit B). Part of the confusion in 2009 was the number of

subsidiaries assigned to Southern California Transcorp bearing the name "Yellow Cab." As a result, Yellow Cab Company of San Gabriel Valley recently made a business decision to change its corporate name to Southern California Transportation on March 27, 2009, and is currently active as a California corporation.

Section 5.44.080 of the Covina Municipal Code generally provides that all certificate holders must keep their information current. As a result, Yellow Cab Company of San Gabriel Valley has requested that the City update their parent company information for Fiscal Year 2010-2011 and renew their Certificate of Public Convenience and Necessity.

The company provided all necessary documents for renewal of its license, as detailed in the Covina Municipal Code Chapter 5.44, in less than sixty days and has met all conditions for licensing as stipulated in the Covina Municipal Code. The company is based in Hacienda Heights and maintains a maintenance facility at 14920 E. Clark Avenue in Hacienda Heights.

As part of the Certificate of Public Convenience and Necessity, Yellow Cab Company of San Gabriel Valley has completed vehicle inspections for six vehicles and background investigations for six drivers through the Covina Police Department. Yellow Cab Company of San Gabriel Valley has also presented proof of insurance and driver drug testing with their application.

It is recommended that the Finance Department renew a Business License and update Certificate of Public Convenience and Necessity to Southern California Transportation, D.B.A. Yellow Cab Company of San Gabriel Valley pursuant to Resolution Number 09-6733 and the following provisions:

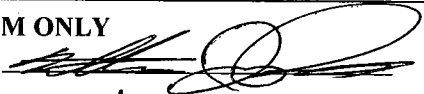



- Payment of City of Covina Business License Fees.
- Any changes in fee schedules, drivers, or vehicles, must be approved according to the provisions of Covina Municipal Code Chapter 5.44.

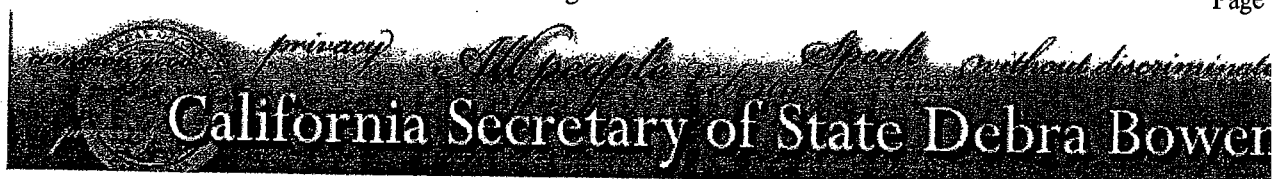
RELEVANCE TO THE STRATEGIC PLAN

This matter has no direct relevance to the strategic plan.

EXHIBITS

- A. Business Entity Detail, California Secretary of State
- B. Agenda Item Commentary, February 17, 2009

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: 



Secretary of State

Administration

Elections

Business Programs

Political Reform

Archives

Registries

Business Entities (BE)

Online Services

- Business Search
- Disclosure Search
- E-File Statements
- Processing Times

Main Page

Service Options

Name Availability

Forms, Samples & Fees

Annual/Biennial Statements

Filing Tips

Information Requests
(certificates, copies &
status reports)

Service of Process

FAQs

Contact Information

Resources

- Business Resources
- Tax Information
- Starting A Business
- International Business
Relations Program

Customer Alert
(misleading business
solicitations)**Business Entity Detail**

Data is updated weekly and is current as of Friday, October 08, 2010. It is not a complete or certified record of the entity.

Entity Name:	SOUTHERN CALIFORNIA TRANSPORTATION
Entity Number:	C3204838
Date Filed:	03/27/2009
Status:	ACTIVE
Jurisdiction:	CALIFORNIA
Entity Address:	14920 CLARK AVE
Entity City, State, Zip:	HACIENDA HEIGHTS CA 91745
Agent for Service of Process:	JULIAN CARDENAS
Agent Address:	14920 CLARK AVE
Agent City, State, Zip:	HACIENDA HEIGHTS CA 91745

* Indicates the information is not contained in the California Secretary of State's database.

- If the status of the corporation is "Surrender," the agent for service of process is automatically revoked. Please refer to California Corporations Code section 2114 for information relating to service upon corporations that have surrendered.
- For information on checking or reserving a name, refer to Name Availability.
- For information on ordering certificates, copies of documents and/or status reports or to request a more extensive search, refer to Information Requests.
- For help with searching an entity name, refer to Search Tips.
- For descriptions of the various fields and status types, refer to Field Descriptions and Status Definitions.

[Modify Search](#) [New Search](#) [Printer Friendly](#) [Back to Search Results](#)

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CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: February 17, 2009

ITEM NO.: CPH 1

STAFF SOURCE: Robert Neiuber, Director of Community Development *RN*
Alex Gonzalez, Senior Management Analyst - Transportation *AG*

ITEM TITLE: Consider Awarding a Business License and Certificate of Public Convenience and Necessity to Southern California Transcorp Incorporated, D.B.A. Yellow Cab of San Gabriel Valley.

STAFF RECOMMENDATION

Conduct a Public Hearing and adopt Resolution No. 09-6733, making certain findings and directing the Finance Department to issue a Business License and Certificate of Public Convenience and Necessity in accordance with Chapter 5.44 of the Covina Municipal Code to Southern California Transcorp Incorporated, D.B.A. Yellow Cab Company of San Gabriel Valley.

FISCAL IMPACT

No fiscal impact.

BACKGROUND

Southern California Transcorp, operating as Yellow Cab Company of San Gabriel Valley, is requesting to serve the residents of Covina. Yellow Cab Company of San Gabriel Valley has not operated a business in the City of Covina since 1996. The company provided all necessary documents for licensing, as detailed in the Covina Municipal Code Chapter 5.44, in less than sixty days and has met all conditions for licensing as stipulated in the Covina Municipal Code. The company is based in Hacienda Heights and is a backup service provider for Access Services, the Los Angeles County provider of paratransit services. Yellow Cab Company of San Gabriel Valley maintains a maintenance facility at 14920 E. Clark Avenue in Hacienda Heights, and is licensed in the cities of Arcadia, Downey, El Monte, La Puente and in unincorporated Los Angeles County.

This item was continued from the City Council meeting of February 3, 2009 due to questions that surfaced in public hearing testimony regarding the status of the company's corporate license. The California Secretary of State lists two companies under Yellow Cab of San Gabriel Valley with a suspended status in 1961 and 2000, both at addresses different than the current applicant. Subsequent investigation by staff, and documentation provided by the applicant, have confirmed that Southern California Transcorp, D.B.A. Yellow Cab Company of San Gabriel Valley is currently in good standing with the California Secretary of State. The statement of information filed with the California Secretary of State for Southern California Transcorp confirms that Yellow Cab Company of San Gabriel Valley is one of three D.B.A.'s which operate under

Southern California Transcorp. In addition, a search of the Los Angeles County Registrar-Recorder / County Clerk, found that Yellow Cab Company of San Gabriel Valley is currently active as a D.B.A. in Los Angeles County. As the situation currently stands, there is no reason to believe that the company is not legally licensed to provide service in Los Angeles County and the State of California.

As part of the Business License and Certificate of Public Convenience and Necessity, Yellow Cab Company of San Gabriel Valley has completed vehicle inspections for five vehicles and background and drug tests for four drivers through the Covina Police Department. Yellow Cab Company of San Gabriel Valley has also presented proof of insurance with their application.

One other taxicab company, AAA Yellow Cab, is licensed to operate a total of three taxicabs in the City of Covina during 2009 at the following rates: \$2.45 per mile, \$2.65 flag drop and \$0.44 per minute waiting time. If this item is approved, a total of eight taxicabs and two companies would be licensed to operate in the City of Covina in 2009.

It is the recommendation of the Transportation Division that the Finance Department issue a Business License and Certificate of Public Convenience and Necessity to Southern California Transcorp Incorporated, D.B.A. Yellow Cab Company of San Gabriel Valley pursuant to Resolution Number 09-6733 and the following provisions:

- Payment of 2009 City of Covina Business License Fees.
- Any changes in fee schedules, drivers, or vehicles, must be approved according to the provisions of Covina Municipal Code Chapter 5.44.

EXHIBITS:

- A. Resolution No. 09-6733
- A-1. Fee Schedule
- B. Business License Application for Southern California Transcorp Incorporated,
D.B.A. Yellow Cab Company of San Gabriel Valley
- C. Applicant Letter dated February 6, 2009
- D. Documentation from the California Secretary of State and Los Angeles County
Registrar-Recorder / County Clerk websites

Exhibit A:

CITY OF COVINA

RESOLUTION NO. 09-6733

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, MAKING CERTAIN FINDINGS AND DIRECTING THE FINANCE DEPARTMENT TO ISSUE A BUSINESS LICENSE AND CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IN ACCORDANCE WITH CHAPTER 5.44 OF THE COVINA MUNICIPAL CODE TO SOUTHERN CALIFORNIA TRANSCORP INCORPORATED, D.B.A. YELLOW CABCOMPANY OF SAN GABRIEL VALLEY.

WHEREAS, the City of Covina has received an application for a Certificate of Public Convenience and Necessity - Taxicab from Julian Cardenas, doing business as Southern California Transcorp, Inc. D.B.A. Yellow Cab Company of San Gabriel Valley; and

WHEREAS, the City Council held a hearing for said application on February 3, 2009 and February 17, 2009, which was duly advertised as required by the Covina Municipal Code; and

WHEREAS, the City Council has received testimony from the applicant and all persons interested in the matters set forth in the application.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF COVINA AS FOLLOWS:

SECTION 1. That pursuant to the provisions of Chapter 5.44 of the Covina Municipal Code, the City Council determines that the public interest, convenience and necessity require the issuance of the Certificate of Public Convenience and Necessity, "Certificate" subject to the following terms and conditions:

- (a) That the applicant, Julian Cardenas, doing business as Southern California Transcorp, Inc. D.B.A. Yellow Cab Company of San Gabriel Valley, provide endorsed insurance naming the City as co-insured, and in the amounts specified in the Covina Municipal Code.
- (b) That the applicant, Julian Cardenas, doing business as Southern California Transcorp, Inc. D.B.A. Yellow Cab Company of San Gabriel Valley, shall ensure that all vehicles to be used are first inspected by the Police Chief of the City of Covina or his authorized deputy to determine if each meets the requirements set forth in the Vehicle Code of the State of California in regards to safety as provided for in Subsection B of Section 5.44.060.
- (c) That the applicant, Julian Cardenas, doing business as Southern California Transcorp,

EXHIBIT A-1 OF 2

Inc. D.B.A. Yellow Cab Company of San Gabriel Valley, operate no more than five vehicles with a current City of Covina license visible on the outside rear of the vehicle and a visible to passengers City of Covina driver identification card within twelve inches of the taxi meter, in the City of Covina without the approval of the City Council.

- (d) That the applicant, Julian Cardenas, doing business as Southern California Transcorp, Inc. D.B.A. Yellow Cab Company of San Gabriel Valley, ensure that each driver and operator of the vehicles authorized under the Certificate provide proof of compliance with Section 5.44.090 of the Covina Municipal Code (investigation of criminal background and drug testing).
- (e) That the applicant, Julian Cardenas, doing business as Southern California Transcorp, Inc. D.B.A. Yellow Cab Company of San Gabriel Valley, charge for hire in accordance with the fee schedule attached hereto as "Exhibit A-1."
- (f) That the applicant, Julian Cardenas, doing business as Southern California Transcorp, Inc. D.B.A. Yellow Cab Company of San Gabriel Valley, ensure that each driver and operator abide by all applicable federal, state, county, and municipal laws in the service of the citizens of the City of Covina.

SECTION 2. That the Finance Department issue a Business License and Certificate of Public Convenience and Necessity in accordance with the application, subject to the filing.

SECTION 3. Applicant shall comply with all other provisions set forth in Chapter 5.44 of the Covina Municipal Code.

SECTION 4. That the City Clerk shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force.

PASSED, APPROVED and ADOPTED this 17th day of February, 2009.

Kevin Stapleton, Mayor

Attest:

Rosie Fabian, City Clerk

Approved as to Form:

Edward W. Lee, City Attorney

EXHIBIT A-2 OF 2

Exhibit A-1:

Fee Schedule

Southern California Transcorp, Inc. D.B.A. Yellow Cab Company of San Gabriel Valley

Per Mile Charge:	\$2.40
Flag Drop Charge:	\$1.50
Waiting Time Charge:	.40¢ per minute

EXHIBIT A1-1 OF 1



CITY OF COVINA

125 E. College Street • Covina, CA 91723-2199
Phone: (626) 858-7240 • Fax: (626) 915-0379

BUSINESS LICENSE APPLICATION

It is essential to ensure that planned business uses are permitted at a given location within the City. Zoning verification and all required permits from City Departments must be obtained before the business activity will be allowed. A business license does not guarantee the right to conduct business activities that are in violation of City Codes.

Please Check One:

- ☒ New Application
☐ Change of Owner
☐ Change of Address within City of Covina
☐ Change of Business Name
☐ In Home Business

Business Name Southern California Transco (D&V Yellow Cab Co. San Gabriel Valley) Business Start Date 2/1992
Corporate Name (if Applicable) Same State License No. _____
Business Location 14920 E. Clark Ave. Zip _____ State License Type _____
Mailing Address Same Expiration Date _____
City Hacienda Heights State CA Zip 91745 Federal ID No. 26-0313225
Business Phone (213) 369-5424 Fax (213) 330-6052 State ID No. _____
Description of Business Taxi Service
Type of Ownership: ☒ Corporation ☐ Corp-Ltd Liability ☐ Partnership ☐ Sole Proprietor ☐ Trust
Business Operation: ☐ Administrative Office Only ☐ Retail ☐ Wholesale ☐ Manufacturing/Distributing ☐ Medical/Dental

1st Owner Name Julian Cardenas Title owner Drivers License No. _____
Home Address 14920 E. Clark Ave. Social Security No. _____
City Hacienda Heights State CA Zip 91745 Home Phone (213) 369-5424
Date of Birth _____ Cell/Pager No. _____
2nd Owner Name _____ Title _____ Drivers License No. _____
Home Address _____ Social Security No. _____
City _____ State _____ Zip _____ Home Phone _____
Date of Birth _____ Cell/Pager No. _____

☐ Property Owner ☐ Property Management Information (please check one, if applicable)
Name _____ Phone _____
Address _____ City _____ State _____ Zip _____

Local Contact Julian Cardenas Phone No. (213) 369-5424 Cell/Pager _____
Address _____ City _____ State _____ Zip _____

Company _____ License No. _____ Phone _____
Address _____ City _____ State _____ Zip _____

PLANNING:
Zoning _____ Approval _____ Date _____
Comments _____

FINANCE:		PT	FT	
1. Number of Employees				Application For Year 20 _____
2. Minimum Tax Covering First Person or Unit	\$			Business License No. _____
3. Add \$ _____ for each _____	\$			Business Rate Code _____
4. Add \$ _____ for each _____	\$			SIC Code _____
	SUBTOTAL	\$		NAIC Code _____
5. Shoppers Lane (if applicable)	\$			Application Received by _____
6. Pro-rated Tax (if business opened after January 1st tax may be prorated from opening month of _____)	\$			Receipt No. _____
7. Penalty (if license is overdue, add 20% penalty per month for first day of each month after opening date _____ %)	\$			Cash/Check No. _____
8. Address Change	\$			
9. Other	\$			
10. Zoning Fee	\$			
11. Processing Fee	\$			
TOTAL LICENSE TAX		\$		

I DECLARE UNDER PENALTY OF PERJURY, THAT THE ABOVE APPLICATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE. I CERTIFY THAT I WILL OPERATE MY BUSINESS IN ACCORDANCE WITH ALL APPLICABLE FEDERAL, STATE AND CITY LAWS AND REGULATIONS. I FURTHER UNDERSTAND THAT ANY FALSE STATEMENTS MADE ABOVE ARE GROUNDS FOR DENIAL OR REVOCATION OF THE BUSINESS LICENSE.

Signature of Owner/Authorized Partner Julian Cardenas Print Name Julian Cardenas EXHIBIT B-1 OF 1
RETURN COMPLETED APPLICATION WITH A CHECK PAYABLE TO CITY OF

SOUTHERN CALIFORNIA TRANSCORP*DBA YELLOW CAB CO. OF SAN GABRIEL VALLEY*

14920 E. CLARK AVE. HACIENDA HEIGHTS, CA 91745.

T: (626) 369.5424 F: (626) 330.6052

February 6, 2009

City of Covina
125 E. College St.
Covina, CA 91723

Dear Counsel Members of the City of Covina,

We are thankful that you gave Southern California Transcorp the opportunity to obtain the city license for taxi transportation. It came to my attention from the last meeting that the company Yellow Cab Co. S.G.V. is not under proper State Regulations. Please be advise that our corporations name is SOUTHERN CALIFORNIA TRANSCORP dba Yellow Cab Co. of San Gabriel Valley. Attached you will find the supporting documentation regarding our business State regulation and a copy of one of the pick up request from the State of California Department of Social Services.

If we weren't in good orders with the State of California or any other Government Agency we would not be able to have a Franchise agreement with any City, be an Access Provider, or even be able to provide transportation to any government agency. We have comply with everything that was requested in a timely manner. I would like for all Counsel Member to re-consider allowing us to have a city license.

If you have any questions regarding our business please don't hesitate to contact Helen Garcia at the number above.

Sincerely,

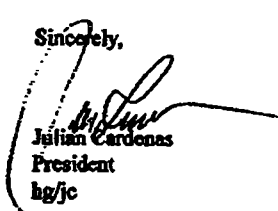

Julian Cardenas
President
hg/jc

EXHIBIT C-1 OF 6

EXHIBIT B-7 OF 15

State of California Secretary of State



STATEMENT OF INFORMATION

(Domestic Stock and Agricultural Cooperative Corporations)

FEES (Filing and Disclosure): \$25.00. If amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

This Space For Filing Use Only

1. CORPORATE NAME (Please do not alter if name is preprinted.)
C3008332
SOUTHERN CALIFORNIA TRANSCORP
14920 E CLARK AVE
HACIENDA HEIGHT CA 91745

S

DUE DATE: 08-31-08

NO CHANGE STATEMENT (Not applicable if agent address of record is a P.O. Box address. See instructions.)

2. ☐ If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 10.
If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement has been previously filed, this form must be completed in its entirety.

COMPLETE ADDRESSES FOR THE FOLLOWING (Do not abbreviate the name of the city. Items 3 and 4 cannot be P.O. Boxes.)

3. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE
14920 E. Clark Ave Hacienda Heights CA 91745
4. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY
14920 E. Clark Ave Hacienda Heights CA 91745
5. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 3
Same CITY STATE ZIP CODE

NAMES AND COMPLETE ADDRESSES OF THE FOLLOWING OFFICERS (The corporation must have these three officers. A corporate file for the specific officer may be added; however, the preprinted lines on this form must not be altered.)

6. CHIEF EXECUTIVE OFFICER
Julian Cardenas 14920 Clark Ave Hacienda Heights Ca 91745
7. SECRETARY
Gloria Zambrano 14920 Clark Ave Hacienda Heights Ca 91745
8. CHIEF FINANCIAL OFFICER
Helen S. Garcia CITY STATE ZIP CODE

NAMES AND COMPLETE ADDRESSES OF ALL DIRECTORS, INCLUDING DIRECTORS WHO ARE ALSO OFFICERS (The corporation must have at least one director. Attach additional pages, if necessary.)

9. NAME ADDRESS CITY STATE ZIP CODE
Julian Cardenas 14920 Clark Ave Hacienda Heights Ca 91745
10. NAME ADDRESS CITY STATE ZIP CODE
Gloria Zambrano 14920 Clark Ave Hacienda Heights Ca 91745
11. NAME ADDRESS CITY STATE ZIP CODE
Helen S. Garcia CITY STATE ZIP CODE

12. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and Item 14 must be completed with a California street address (a P.O. Box address is not acceptable). If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1805 and Item 14 must be left blank.)

13. NAME OF AGENT FOR SERVICE OF PROCESS
Jose Ruben Crano

14. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE

TYPE OF BUSINESS

15. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION

Transportation Service

16. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

5/22/08 Gloria Zambrano

Secretary Ellen P. L.

EXHIBIT C-2 OF 6

▲ This page is part of your document - DO NOT DISCARD ▲

**20071532821**Pages:
002Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

Fee: 31.00

Tax: 0.00

Other: 0.00

Total: 31.00

06/28/07 AT 01:13PM

952387

200706260470007 Counter

TITLE(S) : FICTITIOUS NAME STATEMENT
_____**Assessor's Identification Number (AIN)**

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

▲ THIS FORM IS NOT TO BE DUPLICATED ▲

EXHIBIT C-3 OF 6

3000552

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

MAY 30 2007

ARTICLES OF INCORPORATION

ARTICLE I

The name of this corporation is **SOUTHERN CALIFORNIA TRANSCORP**

ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the **GENERAL CORPORATION LAW** of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

The name and complete business address in the State of California of this corporation's initial agent for service of process is:

Ruben Cano
15317 Pritchard St.
La Puente, CA 91744

ARTICLE IV

This corporation is authorized to issue only one class of shares of stock that shall be designated **Common Stock**. It shall have no par value and the total number of shares which this corporation is authorized to issue is 20,000

ARTICLE V

- (a) The liability of directors of this corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.
- (b) This corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with agents, vote of shareholders or disinterested directors, or otherwise, to the fullest extent permissible under California law.
- (c) Any amendment, repeal or modification of any provision of this Article V shall not adversely affect any right or protection of an agent of this corporation existing at the time of such amendment, repeal or modification.



David DeLoach
Incorporator

EXHIBIT C-4 OF 6

3000552

State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JUN 6 2007

Debra Bowen

DEBRA BOWEN
Secretary of State

A Your Return Mailing Address

Name: **JULIAN CARDENAS**

Address: **14920 CLARK AV**
HACIENDA HIGHTS CA 91745

City: State: Zip Code:

06/28/07



20071532821

1	<input checked="" type="checkbox"/> First Filing <input type="checkbox"/> Renewal Filing Check one only	
FICTITIOUS BUSINESS NAME STATEMENT		
THE FOLLOWING PERSON(S) IS (ARE) DOING BUSINESS AS: (Attach additional pages if required)		
2	Fictitious Business Name(s) 1. YELLOW CAB CO. OF SAN GABRIEL VALLEY 2. A BEST CITY SERVING YELLOW CABS	
3	Street Address, City & State of Principal Place of Business in California (P.O. Box alone not acceptable) 14920 CLARK AV. HACIENDA HIGHTS CA 91745	
4	Full name of Registrant / Corporation / Limited Liability Company SOUTHERN CALIFORNIA TRANCORP	
4A	Residence Street Address (P.O. Box not accepted) City State Zip Code 14920 CLARK AV. HACIENDA HIGHTS CA 91745	
4B	Full name of Registrant / Corporation / Limited Liability Company (if corporation - incorporated in what state) SOUTHERN CALIFORNIA TRANCORP CALIFORNIA	
5	This business is conducted by: (check one only) <input type="checkbox"/> an individual <input type="checkbox"/> a general partnership <input type="checkbox"/> joint venture <input type="checkbox"/> a business trust <input type="checkbox"/> co-partners <input type="checkbox"/> husband and wife <input checked="" type="checkbox"/> a corporation <input type="checkbox"/> a limited partnership <input type="checkbox"/> an unincorporated association other than a partnership <input type="checkbox"/> a limited liability company	
6	Have you started doing business? If yes, insert the date on the line. No _____ Yes <input checked="" type="checkbox"/> Date NOV 2005	
7	I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false is guilty of a crime.)	
8	Signature of Registrant(s) _____ Signature type/print name _____ Signature type/print name _____ Signature type/print name _____ Signature type/print name	
8A	If Registrant is a CORPORATION or LLC, sign below SOUTHERN CALIFORNIA TRANCORP Corporation Name / Limited Liability Company JULIAN CARDENAS Signature CHIEF EXECUTIVE OFFICER Title JULIAN CARDENAS Type or Print Name	
This statement was filed with the County Clerk of LOS ANGELES County on date indicated by the stamp above.		
NOTICE - THIS FICTITIOUS NAME STATEMENT EXPIRES FIVE YEARS FROM DATE IT WAS FILED IN THE OFFICE OF THE COUNTY CLERK. A NEW FICTITIOUS BUSINESS NAME STATEMENT MUST BE FILED PRIOR TO THAT DATE. The filing of this statement does not of itself authorize the use in this state of a fictitious business name in violation of the rights of another under federal, state, or common law (See Section 14411 of eeq., Business and Professions Code)		

 REGISTRAR - RECORDER/COUNTY CLERK
 BUSINESS FILING AND REGISTRATION

E1

EXHIBIT C-6 OF 6

California Business Portal

Secretary of State DEBRA BOWEN

DISCLAIMER: The information displayed here is current as of JAN 30, 2009 and is updated weekly. It is not a complete or certified record of the Corporation.

Corporation		
SOUTHERN CALIFORNIA TRANSCORP		
Number: C3000552	Date Filed: 5/30/2007	Status: active
Jurisdiction: California		
Address		
14920 E CLARK AVE		
HACIENDA HEIGHTS, CA 91745		
Agent for Service of Process		
JOSE RUBEN CANO		
15317 PRICHARD		
LA PUENTE, CA 91746		

Blank fields indicate the information is not contained in the computer file.

- If the status of the corporation is "Surrender", the agent for service of process is automatically revoked. Please refer to California Corporations Code Section 2114 for information relating to service upon corporations that have surrendered.

EXHIBIT D-1 OF 4

<http://kepler.sos.ca.gov/corpdata/ShowAllList?QueryCorpNumber=C3000552&printer=yes>

2/6/2009



Los Angeles County
Registrar-Recorder/County Clerk

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Naming Your Business: Fictitious Business Name Search Results

Results for name: **YELLOW CAB**

NAME NOT FOUND

FICTITIOUS BUSINESS NAME	DOCUMENT NO.	DATE FILED
YELLOW CAB SOUTHELAND	19930007074	1/4/1993
YELLOW CAB CO	19930154730	1/26/1993
YELLOW CAB CO 93 154730	19930438636	3/9/1993
YELLOW CAB CO	19930481109	3/15/1993
YELLOW CAB CO 93 481109	19930797124	4/28/1993
YELLOW CAB OF MALIBU	19930912159	5/13/1993
YELLOW CAB OF ROWLAND HEIGHTS	19930979000	5/24/1993
YELLOW CAB OF WALNUT	19930979000	5/24/1993
YELLOW CAB OF GLENDORA	19930979000	5/24/1993
YELLOW CAB OF HACIENDA HEIGHTS	19930979000	5/24/1993
YELLOW CAB OF INDUSTRY	19930979000	5/24/1993
YELLOW CAB OF IRWINDALE	19930979000	5/24/1993
YELLOW CAB OF LA PUENTE	19930979000	5/24/1993
YELLOW CAB OF AZUSA	19930979000	5/24/1993
YELLOW CAB OF COVINA	19930979000	5/24/1993
YELLOW CAB OF WEST COVINA	19931168967	6/18/1993
YELLOW CAB OF MALIBU 93 912159	19931175421	6/21/1993
YELLOW CAB CO	19931380930	7/19/1993
YELLOW CAB CO OF SAN GABRIEL VALLEY	19931380930	7/19/1993
YELLOW CAB OF WALNUT 9397900	19931526037	8/5/1993

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EXHIBIT D-2 OF 4

2/9/2005

EXHIBIT B-14 OF 15

California Business Portal

Secretary of State DEBRA BOWEN

DISCLAIMER: The information displayed here is current as of JAN 30, 2009 and is updated weekly. It is not a complete or certified record of the Corporation.

Corporation		
YELLOW CAB CO. OF SAN GABRIEL VALLEY		
Number: C0425026	Date Filed: 12/19/1961	Status: suspended
Jurisdiction: California		
Address		
11747 EAST VALLEY BL		
EL MONTE, CA 91732		
Agent for Service of Process		
WAGIH F MELEKA		
11747 EAST VALLEY BL		
EL MONTE, CA 91732		

Blank fields indicate the information is not contained in the computer file.

If the status of the corporation is "Surrender", the agent for service of process is automatically revoked. Please refer to California Corporations Code Section 2114 for information relating to service upon corporations that have surrendered.

EXHIBIT D-3 OF 4

<http://kepler.sos.ca.gov/corpdata/ShowAllList?QueryCorpNumber=C0425026&printer=yes>

2/6/2009

EXHIBIT B-15 OF 15